



\*\*\*\*\*

Kathy Sullivan, Chair

September 23, 2004

Lawrence Norton, Esquire  
General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
2004 SEP 24 P 2:34

RE: Complaint of the New Hampshire Democratic Party Against Nader for President,  
Choices for America, and Norway Hill Associates, Inc., MUR 5513

Dear Mr. Norton:

On August 10, 2004, the New Hampshire Democratic Party filed the above-referenced complaint with respect to activities of Norway Hill Associates, Inc. in collecting signatures to get Ralph Nader on the ballot as a candidate for President in the State of New Hampshire.

Based upon additional information that has come to our attention, including the FEC filing made by the Nader Campaign this past week, we would like to supplement the complaint filed August 10, 2004. We believe that this FEC filing establishes coordination between Norway Hill and the Nader Campaign. We also believe it shows Norway Hill and the Nader Campaign are now working in concert to "cure" impermissible in-kind corporate donations by attributing these donations to individuals after the fact.

As stated in our August 10, 2004 complaint, Norway Hill Associates, Inc., a New Hampshire for profit corporation, undertook a signature drive to get Ralph Nader on the ballot in New Hampshire. According to published press reports on August 10, 2004 (see Portsmouth Herald, August 10, 2004, attached as Exhibit A), a Nader spokesman denied knowledge of the petition effort. Earlier press reports raised questions of whether Republican signature gatherers were making in-kind donations to the Nader campaign. (See Union Leader, August 8, 2004, attached as Exhibit B.) When asked on August 9th about whether Norway Hill had made an in-kind donation, the company's principal, David Carney, said he hadn't yet figured out what it was. (See Union Leader, August 10, 2004, attached as Exhibit C.)

2 1/2 Beacon Street, Concord, NH 03301 ★ Phone 603-225-6899 ★ FAX 603-225-6797

www.nhdp.org

25044121638

\*\*\*\*\*

A review of the Nader for President September, 2004 FEC filing of Itemized Receipts shows, *inter alia*, three reported in-kind donations from individuals associated with Norway Hill. (See Exhibit D attached hereto.) David Carney, the CEO, Lauren Carney, a partner, and James McKay, an owner, each made a \$2,000.00 in-kind donation of "signatures, printing, and postage." The dates of the contributions are August 10, 2004. Based on this filing, it appears that all three individuals made their "in-kind donations" after the activities had actually taken place, after questions had been raised about possible campaign finance issues, and on the same day as our original FEC complaint. Norway Hill cannot cure its corporate, in-kind donations to the Nader Campaign by having its principals claim, after the fact, that they made the in-kind donations directly to the Nader Campaign.

In addition, the acknowledgement by the Nader Campaign of in-kind donations for signatures, postage, and printing, indicates that there was coordination between Norway Hill, a for profit corporation, and the Nader Campaign.

This complaint is not the first time that a company associated with Mr. Carney has been the subject of a complaint arising from alleged impermissible campaign finance activity. Mr. Carney is or has been associated with a 501(c) non-profit company named Americans for Job Security ("AJS"). At various times, Mr. Carney has been described as the Executive Director (see Campaign Finance Institute, Task Force on Disclosure, Issue Ads: Recommendations for a New Approach, attached as Exhibit E), its Chief Executive Officer (see New Hampshire Union Leader, October 24, 2002, attached as Exhibit F), and as a consultant to the organization (see Texas Observer, March 12, 2004, attached as Exhibit G). He has also served as an advisor or consultant to Republican candidates.

AJS claims its expenditures are "independent," but published reports have questioned whether its activities are coordinated. For example, in 2000, "AJS launched a massive ad campaign in support of embattled encumbered Senator Spencer Abraham (R-Mich.) . . . funding for the ads came from the tech industry, which cut checks to AJS at the request of then-Senate Majority Leader, Trent Lott . . ." (See Bush's Secret Stash, Washington Monthly, May 2004, attached as Exhibit H.)

In 2002, AJS ran ads attacking Democratic Lieutenant Governor Fran Ulmer, during her gubernatorial race against Republican Frank Murkowski. Allegations were made that AJS may have engaged in impermissible coordination. "[A]ccording to published reports at the time, AJS's ads followed a conference with Murkowski's political consultant and used the same themes that Murkowski's own campaign was employing." *Id.* A business owned by Murkowski's campaign manager listed AJS as a client. (See Associated Press, September 24, 2002, attached as Exhibit I.)

The State of Alaska Public Offices Commission found AJS broke state campaign laws. Alaska law required reporting of contributions and expenditures intended to influence the outcome

25044121639

\*\*\*\*\*

of elections, and the Commission found there was no other reasonable conclusion but that the ads were intended to influence the election. (See Associated Press, December 7, 2002, attached as Exhibit J.)

Recently, AJS was again the target of controversy in Alaska. Two local public officials were interviewed by what they thought was a documentary film crew. Instead, the film was for an AJS commercial attacking United States Senate Candidate Tony Knowles. In addition, a Murkowski coordinator and volunteer appeared in the ad. (See Anchorage Daily News, July 10, 2004, attached as Exhibit K.)

In 2003, AJS spent \$50,000.00 on radio ads and a mailer attacking a Republican candidate in a State Senate Primary Election in Texas; the candidate, Tommy Merrit, had voted with the Democrats on the Texas legislative redistricting plan. Campaign for People, a Texas watchdog group, has filed a complaint with Travis County, Texas, District Attorney Ronnie Earl, alleging that AJS violated Texas law by engaging in political activity. (See Laredo Morning Times, February 1, 2004, attached as Exhibit L.) Based on conversations with Campaign for People representatives, it is our understanding that the complaint is still pending.

Carney and AJS have established a pattern nationally of engaging in political activity to benefit Republican candidates, yet continuously deny coordination. For example, in 2000, AJS spent \$9,000,000.00 on political ads, but reported spending zero dollars on political activity in its 2000 Federal Income Tax returns. (See Exhibit H). Yet AJS was the largest Republican third-party organization in 2000 in terms of dollars spent against Al Gore. *Id.*

In 2000, AJS sent \$40,000.00 in direct mail attacking Bob Offutt, a candidate for re-election to the Texas School Board. Offutt had endorsed Steve Forbes for President instead of George W. Bush. "Carney insisted to the Houston Chronicle in late 2000 that AJS didn't coordinate with the Bush II Presidential Campaign when it snuffed out a Republican Incumbent on the State Board of Education." (See Exhibit G.)

In the 2003 Tommy Merrit election, Carney denied the ads were intended to help elect Merrit's opponent. "We are not electioneering . . . we're absolutely within the law. We are not advocating his election or defeat." (See Exhibit L.)

Carney has also engaged in questionable activity outside of the rubric of AJS. In a New Hampshire investigation, it was disclosed that in 2000, Carney proposed using \$10,000 in funds from the "Republican Conservative Governors Association" to make phone calls in a New Hampshire gubernatorial primary. The calls would have urged Democratic primary voters to vote for a

25044121640

\*\*\*\*\*

challenger to the incumbent Democratic governor. Carney was working for a Republican gubernatorial candidate. (See *Union Leader*, July 25, 2001, Exhibit M.)

In the current case, part of Norway Hill, Carney stated that he does not do "any Bush work or Republican Party work," and the Bush campaign had denied coordination. (See Exhibit C.) However, Carney's connections to Republicans and individuals associated with the Republican Party and/or the Bush Campaign are numerous:

1. Americans For Job Security is listed as a client of Stevens, Reed & Curcio. (See Stevens, Reed & Curcio Web Page information attached as Exhibit N.) This is the same ad agency used by Swift Boat Veterans for Truth. The agency also lists the Republican National Committee as a client.

2. Benjamin Ginsburg, counsel to Bush/Cheney '00 and '04, and counsel to Swift Boat Veterans for Truth, has been the legal counsel to Americans for Job Security. (See *Texas Observer*, July 6, 2001 attached as Exhibit O.)

3. David Carney was the leader of the 1993 "Yes on 12" Constitutional Amendment Drive in Texas. (See *Practice Management Website*, attached as Exhibit P.) One of the largest donors was Texas multi-millionaire, Republican Bob Perry, underwriter of the Swift Boat Veterans for Truth group. (See *Laredo Morning Times*, September 7, 2003, attached hereto as Exhibit Q.) Carney has served as the Chief Consultant to Governor Rick Perry of Texas. (See Exhibit G.)

4. Carney has also formed a partnership with Ray Sullivan and Reggie Bashur. (See *NewsJournal.com*, January 13, 2004, attached as Exhibit R.) Sullivan is a Texas consultant who served as a spokesperson for George Bush while he was Governor of Texas, and during the 2000 Presidential Election. (See *Salon.com, Politics 2000*, May 18, 2000, attached as Exhibit S.) Reggie Bashur is another former Bush aide who has been described as one of Karl Rove's' oldest friends. (See *New York Times*, October 22, 2002 attached as Exhibit T.)

5. Carney himself has close ties to Presidential Advisor Karl Rove, "[a]t Rove's invitation [Carney] became general consultant for Perry's 1998 race for Lieutenant Governor when Rove had to concentrate on Bush." (See *Austin-American Statesman*, June 3, 2002 attached as Exhibit U.) Even after Rove left for Washington, Carney made it clear that Rove continued to remain in contact. "Karl is still intimately involved. It is not as hands on as he was in the past . . ." said Carney. "He talks to the candidates and the staff and the consultants . . ." *Id.*

Conclusion. The September, 2004 Nader report establishes coordination between Norway Hill and the Nader Campaign. It further establishes that after Norway Hill acted on behalf of Nader,

25044121641

\*\*\*\*\*


David Carney and other principles claimed responsibility for the in-kind donation made by Norway Hill. In one state, a group affiliated with Carney was found to have violated campaign finance law for failing to file required reports for activity designed to effect the outcome of an election. In another, an investigation is still pending. From Alaska, to New Hampshire, to Texas, corporations affiliated with David Carney have repeatedly engaged in political activities benefitting Republican Party candidates or, as now, a candidate who Carney thinks will help a Republican. It is clear that Mr. Carney and his affiliated organizations have engaged and continue to engage in a pattern of in kind contributions, expenditures that are not "independent," and that are designed to effect the outcome of elections, without any serious investigation or penalty.

I, Kathleen N. Sullivan, of 192 South Mammoth Road, Manchester, Hillsborough, State of New Hampshire, do depose and say that the facts set forth in the foregoing request to supplement complaint are true and correct to the best of my information, knowledge, and belief.

Very truly yours,

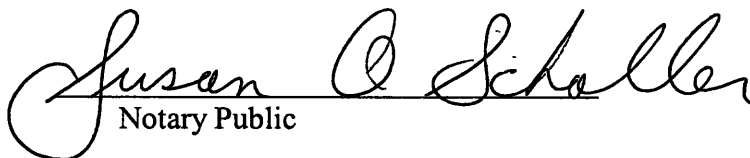
New Hampshire Democratic Party

By:

  
Kathleen N. Sullivan, Chair  
ksullivan@wadleighlaw.com

STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

Personally appeared before me the above-named Kathleen N. Sullivan and made oath that the above statements are true to the best of her knowledge and belief.

  
Notary Public

SUSAN O. SCHALLER, Notary Public  
My Commission Expires March 20, 2007

25044121642

Archives	Business	Entertainment	Health	Living	Maine News	Online Only	Public Records	Sports	Tourism	Trav
----------	----------	---------------	--------	--------	------------	-------------	----------------	--------	---------	------

Put your  
home equity  
to work!

Pay off  
bills.

**TOWN&COUNTRY  
CREDIT**

Loans for a life in motion



Seacoastonline.com



**PORTSMOUTH HERALD**

Shop the Coast:	Cars	Classifieds	Dating	Dining	Golf	Jobs	Lodging	Real Estate	Yellow Pag
-----------------	------	-------------	--------	--------	------	------	---------	-------------	------------

Portsmouth Herald - Hampton Union - Exeter News-Letter - Dover Community News - Rockingham News - York County Coast Star - The York Weekly  
Tuesday, August 10, 2004 Advertise - Contact Info - Email Headlines - Home Delivery Specials - Place a Classified Ad - Submit Announcements - Site M

Herald  
Today's News  
Back Issues

Herald Records  
Birth Notices  
Editorials  
Honor Rolls  
Obituaries  
Milestones  
Police Logs

Quick Clicks  
Churches  
Club Listings  
Concerts  
Crossword  
Event Calendar  
Exhibits  
Legals  
Lottery  
Mortgage Rates  
Movie Times  
Site Search  
Theatre  
TV Times  
Weather

Marketplaces  
Cars  
Classifieds  
Dating  
Dining  
Golf  
Jobs  
Lodging  
Real Estate  
Yellow Pages

Sections  
Business  
Entertainment  
Health  
Living  
Maine News  
Online Only  
Public Records  
Sports  
Tourism  
Travel

71 Broadway Dover, NH

Print this Story Email this Article

## Republican disclaimer

By Joe Adler  
jadler@seacoastonline.com

The chairwoman of the New Hampshire Republican State Committee on Monday said the committee did not hire a Hancock consulting firm with GOP ties to help get independent presidential candidate Ralph Nader on the Nov. 2 ballot.

The firm, Norway Hill Associates, was criticized last week for hiring paid temp workers to collect signatures for Nader outside the Stratham dairy farm where President George W. Bush spoke on Friday. The aim allegedly was to dilute the vote for Democratic candidate, Sen. John Kerry of Massachusetts, thereby helping Bush win the state in the upcoming election.

While denying that the state party was involved, Chairwoman Jayne Millerick said it is possible that Norway Hill Associates - whose clients have included former Republican presidential nominee Bob Dole - has been on the state party's payroll in the past.

"It is possible, but I'd have to research it," Millerick said. "Norway Hill has been a consulting firm in New Hampshire for a number of years and has helped out a great deal of Republican candidates."

The New Hampshire Democratic Party plans to hold a press conference today in

"A summer at Sylvan  
made all the difference  
in the fall"



**SYLVAN**  
LEARNING CENTER  
*Learning feels good*

PORTSMOUTH, NH  
1-800-EDUCATE  
Also now in HAMPSTEAD, NH  
www.educate.com

Intelligent Web Solutions.  
Improving Your Business

**BUILDING** and servicing  
innovative websites  
that produce **RESULTS!**

- Award winning Web Design & Development.
- Strategic Online Marketing
- Custom Applications Integration
- Speed of Business Solutions.
- Hands-on Service

**ATTENTION NEW  
CUSTOMERS!**

Sign up for Windows  
2003 Business-class  
Hosting for 1 year AND  
get 3 months **FREE!**

**WE'RE HIRING!**

Visit us on the web  
to see full job listings.  
www.portcityweb.com  
104 Congress Street  
Portsmouth, NH, 03801  
p (603) 430-6247



Click Here  
to Receive  
Our Daily  
Headlines



Home

the Legislative Office Building in Concord to call on Nader's campaign to reject the signatures collected at the Scamman farm and to question claims that the state GOP was not involved.

"Our concern is whether these signatures are collected legally and ethically, and in the interest of the electoral process," said NHDP spokeswoman Kathleen Strand. "Ralph Nader should reject any signatures if they were collected by the Republican Party with the direct intention of helping President Bush."

On Friday, one of the workers said she was hired out to collect Nader signatures through Adecco, a temp agency with a Portsmouth office. The worker, Emily Sawka, of Kittery, Maine, refused after learning the drive targeted Bush supporters who would want the third-party candidate to take votes from Kerry.

Sawka said workers were given a script entitled "Talking Tips," in which they were to attract signers by telling them, "Without Nader, Bush would not be president." If signers asked who was paying the workers, the script's response was: "Nader's campaign pays .75 cents a signature."

Nader campaign spokesman Kevin Zeese, who denied knowledge of the firm's petition drive, said Monday the campaign would not accept signatures sent directly to it from the firm. He added, however, that the campaign has no control over signatures sent to the secretary of state by an outside entity.

"People can do what they want to do," Zeese said.

Despite denying party involvement, Millerick said she supports the effort to get third-party candidates on the ballot to facilitate the democratic process.



"I think the more candidates, the better," Millerick said, adding that she herself signed the petition at the rally.

"The fact that the Democrats are making such a deal with this shows how hesitant they are to support their own candidate."

Last week, Strand pointed out that she would "not be surprised" to learn that Republicans were trying to help Nader. She cited a recent scandal involving a company hired by the state GOP committee jamming Democratic phone banks during the 2002 elections.

The president of that company pleaded guilty last month to blocking phone lines installed to help voters get transportation to the polls and former New Hampshire Republican Committee Chairman Chuck McGee resigned following the allegations.

Last week, McGee pleaded guilty to hiring the firm.

 Print this Story  Email this Article

[Back to the Portsmouth Herald](#)

[Portsmouth Herald Home Delivery for 50% Off](#)

## Featured Jobs

### Director

Portsmouth, NH  
Seacoast Mental Health  
Center, Inc.

### Substitute Custodian

Hampton, NH  
Seabrook School District

### Staff Pharmacist

Portland, ME  
Martin's Point Health Care

### More jobs

# GOP picnic includes Nader flavor

## ◀ Kathy Sullivan:

Democrats confident whether Nader's name is on ballot or not.

By PAT GROSSMITH  
Union Leader Staff

MANCHESTER — A man and woman were soliciting signatures on nomination papers to put Ralph Nader's name for President on the November ballot in New Hampshire.

Their pool of potential signatories? Mostly members of the GOP attending yesterday's Manchester Republican Committee's annual "Meet the Candidates" barbecue at the home of State Rep. Saghir "Saggy" Tahir.

A man and a woman were seen meandering among the hundreds of Republicans attending the afternoon event, engaging in small talk and trying to obtain signatures.

One man, who was covered in campaign stickers for Republicans including Bush/Cheney, Congressman Jeb Bradley, Executive Councilor Ray Wiczecek, Hillsborough County Attorney Marguerite Wageling, among others, refused to identify himself when asked his name by a reporter.

He also declined to say whether he was a Republican and how many signatures he had collected.

When the reporter walked away and looked back at him only minutes later, he no longer spotted the campaign stickers.

Another politician attending the event identified the signature solicitor as Bill Boyd of Manchester, a Republican who in the past has run for local office.

"I think that what's basically happening here is the Republicans think by getting Ralph Nader on the ballot that they're going to help George Bush," said New Hampshire Democratic Party Chairman Kathleen Sullivan.

She contends that whether Nader is on the ballot or not, John Kerry is going to win in the Granite State.

She said the Democratic Party, however, will be taking a closer look at the GOP and any of its supporters who may be

giving "in-kind" donations to the Nader campaign.

"We are going to have to take a closer look to see if anyone involved with the Republican Party is encouraging illegal campaign contributions to the Nader campaign with this petition effort," she said.

Sullivan said she understood someone hired people to collect the signatures. If that is true, she said "we are going to be asking some tough questions about whether these individuals have filed as a committee with

the Secretary of State's Office and whether they have been making in-kind contributions to the Nader campaign."

Sullivan said she understands that when Bush was in Stratham Friday that people had to have tickets to get into the event. Those collecting signatures to get Nader's name on the ballot, she said, had tickets.

"It means somebody made arrangements for them to get into the Bush event," she said.

Maria Comella, New Hampshire communications director for Bush/Cheney '04, denied the campaign had anything to do with the petition drive.

U.S. Sen. John Sununu, who is not up for reelection, and Congressman Bradley both attended and spoke briefly.

Other candidates at the event were Wageling; her Republican opponent, Atty. Frank Haley of Hillsborough; Speaker of the House Gene Chandler of Bartlett; Deputy Speaker of the House Michael Whalley of Alton; and Hillsborough County Sheriff Jim Hardy of Pelham.

3

25044121645



## ◆Choices for America: Local GOP consulting firm hired to collect signatures.

By JOHN DISTASO  
Senior Political Reporter

Veteran New Hampshire Republican consultant David Carney worked with a Missouri-based nonprofit organization to gather petition signatures aimed at getting consumer advocate Ralph Nader's name on the New Hampshire Presidential ballot.

Carney, the White House political director under President George H.W. Bush, said he was approached about a week ago by Choices for America, whose co-founder is reportedly a Republican consultant from Las Vegas and the son-in-law of the Nevada Republican party chair.

Carney, owner of Norway Hill Associates in Hancock, said an intern in his office hired 10 to 15 people to gather signatures outside of President George W. Bush's appearance at a Stratham farm last Friday.

Carney said that overall for the past week, his firm hired about 30 people who also gathered signatures "at malls and

fairs and town concerts and all kinds of places."

He said that while he does not know much about Choices for America, he believes it is not a Nader-only group but rather "a foundation working on getting ballot access across the country for candidates of all different parties."

But Carney said he is not trying to hide the fact that he is a Republican and that getting Nader on the ballot may hurt Democrat John Kerry and help President George W. Bush win the state's four electoral votes.

"Sure, we're Republicans," Carney said. "It's not a conflict. We don't do any Bush work or Republican Party work. We do this kind of stuff all over the country. We're just trying to help out."

The Bush and Nader campaign have denied any connection to Norway Hill's efforts.

Carney said he had never heard of Choices for America until he was recently contacted by "a friend of a friend" about it.

Carney said he also never heard of Steve Wark, a Las Vegas political consultant who last month told the Las Vegas Sun he raised \$30,000 from



ASSOCIATED PRESS

New Hampshire GOP consultant David Carney worked with a Missouri-based nonprofit organization to gather petition signatures aimed at getting consumer advocate Ralph Nader, above, on the New Hampshire Presidential ballot.

friends and Republicans to pay for a signature-gathering effort for Nader in his state.

According to the Las Vegas newspaper, Choices for America is a nonprofit organization based in Union, Mo., that was founded on April 22. The group's nonprofit designation is given to educational and social organizations, so it does not have to file federal campaign information. Most of its activities must be nonpartisan in

order to keep the nonprofit designation.

Carney said Choices for America has not paid Norway Hill, but "we hope to get paid someday. They were under the gun and we said we'd help them out and we haven't gotten to that part of it, yet."

State Democratic Party Chairman Kathy Sullivan said, "If Norway Hill is not being paid, I have real questions about whether this is a corporate, in-kind donation to at least one candidate, if not to two candidates and whether that violates federal election law."

Carney said if it Norway Hill's efforts turn out to be a donation, "I'd have to report that. I haven't figured out, yet, if it's a personal contribution on our behalf or an in-kind contribution to the foundation. We haven't worked that out yet. But I can tell you I don't need Kathy Sullivan's help on how to deal with reporting questions."

Republican State Party Chairman Jayne Millerneck said that while the state GOP has nothing to do with Carney's efforts, "What are the Democrats so afraid of here?"

"What that says about their message is when their candidate is not successful, they blame it on another candidate," said Millerneck. In the 2000 general election, Nader received 22,000 New Hampshire votes, while Al Gore lost the state to George W. Bush by 7,200 votes. Had the state's four electoral votes gone to Gore, he would have won the election.

State Democrats plan a news conference today to call on the state Nader campaign to reject petition signatures collected by Carney's firm.

## ordable family fun!

Available at [www.nhfishercafs.com](http://www.nhfishercafs.com) or by calling 641-2005

Web site developed by  
**SilverTech**  
COMMUNITY MEDIA AND THE WEB

### UPCOMING HOME GAMES

FRIDAY 8/13	SATURDAY 8/14
7:05pm	5:05pm
Gill Stadium Night	Post-Game: Play Catch on the Field
Gill Stadium Replica Giveaway (First 1,000 Fans)	Mint-Bat Giveaway (First 1,000 Child Fans)
Courtesy: Hannaford	Courtesy: Barber Foods



Baseball With A Bite!  
Double-A Affiliate of the Toronto Blue Jays





# **SCHEDULE A** **ITEMIZED RECEIPTS** **All Listed Line Numbers**

**Committee: NADER FOR PRESIDENT 2004**

Contributor's Name Contributor's Address	Employer	Date	Amount (\$)
	Occupation	Memo	Aggregate (\$)
	Memo/Description		Text
US Treasury		08/02/2004	148338.18
			547096.84
	Matching Funds		
Mr. Ali Abdel-Haq 777 Esinhower Way Simi Valley, California 93065	(information requested)	08/26/2004	250.00
	(information requested)		250.00
	check		
Mr. Alfonso J Acosta 3711 Grim Ave. #8 San Diego, California 92104	Paychex Inc	08/30/2004	50.00
	Sales & marketing Agent		232.00
	check		
Mr. Fabian N. Acosta 1503 Interlaken Pl. E Seattle, Washington 98112	Associated Counsel for Accused	08/13/2004	100.00
	paralegal		220.00
	credit card		
Ms. Gayle L Adams 143 Claremont Ave San Jose, California 95127	San Jose Unified school district	08/10/2004	500.00
	teacher		500.00
	check		
Aref Ahmadia 217 Las Gallinas Ave. San Rafael, California 94903	(information requested)	08/17/2004	500.00
	(information requested)		500.00
	check		
Mr. Charles J. Ainslie 23515 Timber Lane	Gulf Savings Bank	08/03/2004	300.00
	banker		1300.00

	credit card		
<b>Dr. Douglas E. Brintnall</b> 3409 Hamilton St Philadelphia, Pennsylvania 19104	Brintnall & Nicolini Inc	08/09/2004	250.00
	president		1500.00
	check		
<b>Mr. Robert W Bruce</b> 39 San Mateo Rd Berkeley, California 94707	none	08/10/2004	250.00
	retired		250.00
	check		
<b>Ms. Jennifer Bullock</b> 262 Mather Rd Jenkintown, Pennsylvania 19046	self-employed	08/03/2004	50.00
	(information requested)		250.00
	check		
<b>Dr. Nina Byers</b> 221 Mt. Auburn St. #307 Cambridge, Massachusetts 02138	UCLA	08/14/2004	100.00
	physics professor		400.00
	credit card		
<b>Mr. John B. Candler, II</b> PO Box 253 Somerset, Pennsylvania 15501	Frank's Pizza and New York Deli	08/05/2004	20.00
	Senior Maintenance		520.00
	cash		
<b>David Carney</b> 30 Norway Hill Hancock, New Hampshire 03449	Norway Hill Associates	08/10/2004	2000.00
	CEO		2000.00
	In-kind - Signatures Printing Postage		
<b>Lauren Carney</b> 30 Norway Hill Hancock, New Hampshire 03449	Norway Hill Associates Inc	08/10/2004	2000.00
	Partner		2000.00
	In-kind - Signatures Printing Postage		
<b>Mr. Arthur Carpenter</b> 858 Hidalgo St New Orleans, Louisiana 70124	Loyola University New Orleans	08/16/2004	250.00
	Archivist		350.00
	credit card		
<b>Mr. Paul M Carter</b> 1835 Bell Dr. Erie, Colorado 80516	none	08/31/2004	200.00
	retired		250.00
	credit card		
<b>Ms. Edna Casman</b> 320A Columbia SE Albuquerque, New Mexico 87106	self-employed	08/28/2004	250.00
	artist		250.00
	credit card		
<b>Mr. John F. Cassella</b> 1955 Arapahoe St Apt 1405 Denver, Colorado 80202	none	08/12/2004	30.00
	retired		230.00
	check		
<b>Mr. Ralph A Cassetta</b> 2081 2nd Ave. New York, New York 10023	none	08/16/2004	150.00
	retired		250.00
	check		
<b>Mr. Charles S. Caulkins</b> 511 Lido Dr. Ft. Lauderdale, Florida 33301	self-employed	08/16/2004	250.00
	attorney		250.00

	<b>credit card</b>		
<b>Mr. John B. McCabe</b> 4-15 Plaza Rd Fair Lawn, New Jersey 07410	Rutgers University	08/31/2004	40.00
	teaching assistant		325.00
	<b>credit card</b>		
<b>Mr. Sebastian McGarigle</b> 9605 Hammock Drive Braden Woods Bradenton, Florida 342029356	none	08/08/2004	35.00
	retired		285.00
	<b>credit card</b>		
✕ <b>James McKay</b> 2 Teague Drive Salem, New Hampshire 03079	Norway Hill Associates	08/10/2004	2000.00
	Owner		2000.00
	<b>In-kind - Signatures Printing Postage</b>		
<b>Ms. Nellie M McKay</b> 1272 Amsterdam Ave #1A NYC, New York 10027	self-employed	08/05/2004	500.00
	musician		1000.00
	<b>check</b>		
<b>Mr. Mark McKinney</b> 1145 Whispering Trail Circle Lewisville, Texas 75067	Tribal DDB	08/27/2004	250.00
	manager		250.00
	<b>credit card</b>		
<b>Keith L Melchers</b> 1902 Calvert Street NW Washington, DC 20009	Hewlett-Packard	08/10/2004	55.00
	Manager DC Trade Office		480.00
	<b>credit card</b>		
<b>Keith L Melchers</b> 1902 Calvert Street NW Washington, DC 20009	Hewlett-Packard	08/24/2004	50.00
	Manager DC Trade Office		530.00
	<b>credit card</b>		
<b>Mr. Eric Melsheimer</b> 4484 Kenai Ct. Santa Monica, California 93455	Melfred Borzall	08/18/2004	55.00
	engineer		305.00
	<b>check</b>		
<b>Ms. Yvonne Michaels</b> 716 N. 5th St. Globe, Arizona 85501	At Home Solutions	08/29/2004	100.00
	Care Giver (Mom)		300.00
	<b>credit card</b>		
<b>Mr Arthur C Miller, Jr</b> PO Box 1960 Shelter Island, New York 11964	AC Miller Concrete	08/17/2004	100.00
	Owner		700.00
	<b>check</b>		
<b>Cameron S. Miller</b> 511 E. Tunnell St. Santa Maria, California 93454	Allan Hancock College	08/29/2004	125.00
	teacher		225.00
	<b>credit card</b>		
<b>Mr. Zachary A. Miller</b> 1980 E. 16th St Apt P309 Newport Beach, California 92663	The Cheesecake Factory	08/30/2004	100.00
	server		275.00
	<b>check</b>		
<b>Ms. Elizabeth J Mimna</b> 194 Oakdale Avenue Akron, Ohio 44302	Noveon Inc.	08/15/2004	250.00
	chemist		250.00


[SEARCH](#) | [ABOUT CFI](#) | [CONTACT US](#) | [SITE MAP](#) | [HOME](#)

## TASK FORCES

Disclosure

Financing Pres. Nominations

### ISSUE ADS: Recommendations for a New Approach

#### TASK FORCES

### Americans for Job Security

#### CFI RESEARCH

#### RESOURCES

#### PROGRAMS

#### PRESS RELEASES

eGUIDE  
to the Law

In April 2000, according to press accounts, Senate Majority Leader Trent Lott met with a group of high-tech lobbyists. He reportedly was concerned about ads attacking Senator Spencer Abraham (R-MI) for his views on immigration. The ads were sponsored by the Federation for American Immigration Reform (FAIR), a group that supports strict limits on immigration. Abraham was then serving as the chairman of the Senate Judiciary subcommittee on immigration. He was then sponsoring a bill that would grant more visas to highly skilled workers, legislation that was vital to the high-tech industry. Lott was reported to have urged the lobbyists to pay for ads responding to FAIR's attacks. But instead of donating to Abraham's campaign, Lott was said to have urged the lobbyists to donate to Americans for Job Security (AJS), a group few of them knew about. According to a lobbyist who attended the meeting, Lott said that AJS was about to run ads rebutting FAIR.<sup>[8]</sup> Although the overall response was said to have been "tepid," Microsoft and some other high-tech companies did donate to AJS.<sup>[9]</sup> Lott subsequently, through a spokesperson, called the reports "baseless."<sup>[10]</sup>

Americans for Job Security, a 501 (c)(6) trade association, grew out of the Coalition, a loose confederation of business groups that ran issue ads in 1996 to oppose the AFL-CIO's \$35 million campaign. After the Coalition split in 1997 over a dispute over strategy, Robert Vagley, president of the American Insurance Association (AIA), formed Americans for Job Security. The AIA contributed \$1 million to found AJS; the American Forest and Paper Association also gave \$1 million. David Carney, onetime political director in the Bush White House, serves as executive director of AJS. Michael Dubke, former head of the Ripon Society, is the president of AJS. Benjamin Ginsberg, counsel to AJS, was also counsel to George W. Bush's presidential campaign. Others associated with AJS include Republican consultant Eddie Mahe and Leigh Ann Pusey, a former aide to Newt Gingrich, who now serves as AIA's chief lobbyist.<sup>[11]</sup>

The AIA claims that it is no longer a member of AJS and does not contribute to the group.<sup>[12]</sup> As a 501 (c) (6) trade association, AJS does not have to disclose its donors. Since its ads do not engage in express advocacy, AJS does not need to form a political action committee. Dubke told the *Omaha World-Herald*, "We don't discuss our members. The reason is we find that in other groups that have attempted to do what we're doing, that their membership becomes the issue rather than the issue they're trying to advocate. Y We find that sticking to a strict mantra of not discussing our members allows our issue to come to the forefront."<sup>[13]</sup> The *American Prospect* claimed that pharmaceutical companies are among the "primary funders" of AJS.<sup>[14]</sup>

During a high-profile special House election in California in early 1998, AJS reportedly spent \$50,000 on a television commercial praising the conservative

economic record of GOP nominee Tom Bordonaro.<sup>[15]</sup> Bordonaro lost. Media reports show that AJS spent \$2 million on television ads in the fall of 1998 that attacked Rep. Frank Pallone (D-NJ). The ads accused Pallone of supporting the tapping of the Social Security trust fund to pay for "wasteful programs" such as welfare. One ad featured a group of men playing poker and declared: "Call Congressman Frank Pallone and tell him to keep his hands off Social Security and stop gambling with our future." AJS took the unusual step of placing these ads on highly-rated programs on New York television, in a district where candidates usually rely on radio, cable or direct mail. The Pallone campaign responded by reaching out to journalists to persuade them that their candidate was the victim of a well-financed effort by outside interests. They also mailed literature portraying AJS as a front for insurance companies that opposed Pallone's support for HMO regulation. Pallone won by a comfortable margin.<sup>[16]</sup> According to the *Wall Street Journal*, AJS spent at least \$200,000 on ads criticizing Sen. Harry Reid (D-NV) and \$100,000 against Sen. Ernest Hollings (D-SC). Both senators were re-elected.<sup>[17]</sup> AJS also ran ads criticizing Rep. Jay Johnson (D-WI) and praising Rep. Nancy Johnson (R-CT). Jay Johnson lost and Nancy Johnson won.<sup>[18]</sup>

AJS claims to have spent \$10 to \$12 million on political ads in 2000.<sup>[19]</sup> It played its most visible roles in three Senate races. AJS ran just over \$700,000 in advertisements praising Sen. Spencer Abraham (R-MI) and attacking his opponent, Rep. Debbie Stabenow (D-MI).<sup>[20]</sup> This included an ad campaign in black newspapers accusing Stabenow of being racist and holding her responsible for the FAIR ads attacking Abraham.<sup>[21]</sup> It also included a radio ad that ran during summer criticizing Stabenow for opposing tax cuts.<sup>[22]</sup> The most widely covered aspect of AJS's activity was a springtime television ad campaign defending Abraham against FAIR's charges that cost about \$450,000.<sup>[23]</sup>

The *Omaha World-Herald* reported in October 2000 that AJS planned to spend \$250,000 on ads criticizing Ben Nelson, the Democratic nominee for Senate in Nebraska. One spot featured Sen. Chuck Hagel and Gov. Mike Johanns questioning statements Nelson, a former governor himself, had made about federal regulation of drinking water.<sup>[24]</sup>

AJS was also active in Washington, supporting Sen. Slade Gorton (R). Eddie Mahe has been a consultant to AJS and a senior adviser to Gorton.<sup>[25]</sup> In March 2000, AJS ran spots on cable TV promoting Gorton's record on education.<sup>[26]</sup> AJS spent \$105,000 on ads praising Gorton for his opposition to removing dams on the Snake River. The spots ran in June on television stations in eastern Washington, where dam removal is a major issue.<sup>[27]</sup> AJS also sponsored an advertisement attacking Democratic nominee Maria Cantwell that ran before she won her primary in September. The *Tacoma News Tribune* reported that AJS spent \$800,000; the *Seattle Post-Intelligencer* claimed \$548,000; while the *Washington Post* put the cost of the buy at \$500,000.<sup>[28]</sup> Cantwell is an executive with RealNetworks, a firm that competes with Microsoft, a supporter of AJS. AJS also ran ads supporting Gorton in October. No data is available on the size of this buy.<sup>[29]</sup>

25044121651

*Script for this advertisement*

VIDEO	AUDIO
<i>(On screen: Roll Call Vote #199, H.R. 2264 Sec. 4081 B Congressional Record)</i>	ANNOUNCER: What is it with politicians like Maria Cantwell? They think with our pocket books. She voted for higher taxes on gasoline, home electricity... .
<i>(On screen: Roll Call Vote #1999 H.R. 2264 Sec. 4446 B Congressional Record)</i>	She even voted to raise tax rates on Social Security.
<i>(On screen: Roll Call Vote #406 H.R. 2264 Sec. 13125 B Congressional Record)</i>	Maria Cantwell actually voted to raise taxes on Washington state's retired working families by 70 percent.
<i>(On screen: Call Maria Cantwell. Tell her to keep her hands off our Social Security: 206-674-2700 x2231; Paid for by Americans for Job Security; Americans for Job Security logo).</i>	Politicians like Maria Cantwell think it's OK to tax our hard-earned Social Security. Maria Cantwell talks like she's from our Washington. Problem is, she votes like she's from the other Washington.

Source: Lauren Mandell, "Cantwell's Record On The Spot," *NationalJournal.com*, September 8, 2000;  
<http://nationaljournal.com/members/adspotlight/2000/09/0908ajs.1.htm>

Shortly before Election Day, AJS ran ads in ten media markets attacking Al Gore=s prescription drug plan.<sup>[30]</sup> It also ran an ad linking Gore to higher gasoline prices.<sup>[31]</sup> The Brennan Center for Justice claims that AJS spent just under \$1.8 million on these ads, making it the third most active outside group in the presidential race, after Planned Parenthood and the AFL-CIO, and the most active one supporting Bush. The leading markets for AJS's campaign were Spokane, Seattle, Portland (OR), Tampa-St. Petersburg and Knoxville. It also found AJS to be the fifth most active outside group in Senate races.<sup>[32]</sup>

AJS was also active in several state races. It sponsored radio ads in November 1999 criticizing Ohio Supreme Court Justice Alice Robie Resnick, who was not up for re-election until 2000. Resnick wrote an opinion that overturned a 1996 law that limited the ability of Ohioans to collect damages in civil lawsuits.<sup>[33]</sup> AJS sponsored direct-mail campaigns against David Bradley and Bob Offutt, two conservative members of the Texas State Board of Education.<sup>[34]</sup> It ran an ad accusing Mark Meyer, a Democrat running for the Wisconsin state senate, of being soft on crime. Meyer=s race was seen as being crucial to party control of the senate, and therefore of redistricting.<sup>[35]</sup>

**Michael Dubke, president of Americans for Job Security, on his group's activities:**

"We don't discuss our members. The reason is we find that in other groups that have attempted to do what we're doing, that their membership becomes the issue rather than the issue they're trying to advocate. We find that sticking to a strict mantra of not discussing our members allows our issue to come to the forefront." (C. David Kotok and Jake Thompson, "Political Ad's Donors Are Kept Secret," *Omaha World-Herald*, October 27, 2000).

"We're not having the Lincoln-Douglas debates anymore. We don't beat around the bush and we name names." (Michael Isikoff, "The Secret Money Chase," *Newsweek*, June 5, 2000).

"The campaigns, whether they be in New York or Washington or wherever, do not control independent groups. It would be unconstitutional. Elections are not just for politicians and the news media. Elections are for citizens, and if citizens have the ability to make their voices be heard, they have every right in this country to be heard." (Karen Hucks, "Cantwell Urges An End to Soft Money Ads," *Tacoma News Tribune*, September 27, 2000)

&lt;==BACK

FORWARD==&gt;

<sup>[8]</sup> Michael Isikoff, "The Secret Money Chase," *Newsweek*, June 5, 2000; Mike Allen, "GOP Pressures Tech Firms to Help Michigan Senator," *Washington Post*, May 16, 2000.

<sup>[9]</sup> Gebe Martinez, "GOP Tapped Tech Execs to Aid Abraham," *Detroit News*, May 17, 2000.

<sup>[10]</sup> "Washington in Brief: Ethics Panel Asked to Look at Sen. Lott," *Washington Post*, May 23, 2000, A6.

<sup>[11]</sup> Jim VandeHei, "Republicans Divided on Issue Advocacy," *Roll Call*, April 20, 1998; Jim VandeHei, "Pro-GOP Group Plans \$100 Million Issue Ad Blitz," *Roll Call*, January 15, 1998; R.G. Ratcliffe, "Campaign 2000; Bush Accused of 'Getting Even,'" *Houston Chronicle*, November 5, 2000; Mike Allen, "Campaign Secrecy Laws Impact Doubted," *Washington Post*, July 1, 2000; Michael Isikoff, "The Secret Money Chase," *Newsweek*, June 5, 2000

<sup>[12]</sup> William March and Michael Fechter, "Ads, Tactics Growing More Shrill As Election Day Showdown Nears," *Tampa Tribune*, November 3, 2000

<sup>[13]</sup> C. David Kotok and Jake Thompson, "Political Ad's Donors Are Kept Secret," *Omaha World-Herald*, October 27, 2000

<sup>[14]</sup> Nicholas Confessore, "Saving Private Abraham," *The American Prospect*, November 20,



2000.

<sup>[15]</sup> Peter H. Stone, "From The K Street Corridor," *National Journal*, March 14, 1998.

<sup>[16]</sup> Peter H. Stone, "Issue Ads, the Weapons of Choice," *National Journal*, October 31, 1998; Ruth Marcus, "The Advocates Pare Down the Ads," *Washington Post*, October 23, 1998; Philip D. Duncan, "Incumbent in the Cross Hairs," *Campaigns & Elections*, December 1999 / January 2000.

<sup>[17]</sup> Glenn R. Simpson, "Late Storm of Issue-Ad Spending Sweeps Places Like Wisconsin, Chills a Senator," *Wall Street Journal*, October 29, 1998.

<sup>[18]</sup> "New Member Biographies for Wisconsin," *National Journal*, November 7, 1998; Peter H. Stone, "Business Fills its War Chests," *National Journal*, July 18, 1998; Ruth Marcus, "When Opposition Isn't On The Ballot," *Washington Post*, June 30, 1998

<sup>[19]</sup> William March and Michael Fechter, "Ads, Tactics Growing More Shrill As Election Day Showdown Nears," *Tampa Tribune*, November 3, 2000

<sup>[20]</sup> Nicholas Confessore, "Saving Private Abraham," *The American Prospect*, November 20, 2000.

<sup>[21]</sup> Orlandar Brand-Williams, "Stabenow Supporters Want Abraham to Denounce Ads," *Detroit News*, May 9, 2000.

<sup>[22]</sup> "Two Radio Ads Running Against Stabenow," *Associated Press State & Local Wire*, July 28, 2000.

<sup>[23]</sup> Gebe Martinez, "High-Tech Firms Help Abraham," *Detroit News*, May 9, 2000; Nicholas Confessore, "Saving Private Abraham," *The American Prospect*, November 20, 2000; Mike Allen, "GOP Pressures Tech Firm to Help Michigan Senator," *Washington Post*, May 16, 2000

<sup>[24]</sup> C. David Kotok and Jake Thompson, "Political Ad's Donors Are Kept Secret," *Omaha World-Herald*, October 27, 2000

<sup>[25]</sup> Joel Connelly, "TV Ad Blitz Targets Cantwell," *Seattle Post-Intelligencer*, August 31, 2000.

<sup>[26]</sup> Joel Connelly, "Senn vs. Cantwell: \$1 Million Foes," *Seattle Post-Intelligencer*, March 24, 2000.

<sup>[27]</sup> Kevin Galvin, "Gorton, Other Campaigns Benefit From Ads by Outside Groups," *Seattle Times*, June 19, 2000

<sup>[28]</sup> Helen Dewar, "Millionaire Cantwell Investing Heavily in Senate Race," *Washington Post*, September 18, 2000; Karen Hucks, "Cantwell Hit With Negative Ads by D.C. Group," *Tacoma News Tribune*, August 31, 2000; Joel Connelly, "Cantwell Rolls to Win," *Seattle Post-Intelligencer*, September 20, 2000.

<sup>[29]</sup> Dionne Searcey, "Cantwell Appears Ready to Spend Whatever It Takes," *Seattle Times*, October 19, 2000; Joel Connelly, "Cantwell Struggling To Meet Cash Crunch in Tight Senate

Race," *Seattle Post-Intelligencer*, October 19, 2000.

<sup>[30]</sup> William March and Michael Fechter, "Ads, Tactics Growing More Shrill As Election Day Showdown Nears," *Tampa Tribune*, November 3, 2000.

<sup>[31]</sup> Michael Kranish and Yvonne Abraham, "Campaigns Unleashing Ad Barrage," *Boston Globe*, November 2, 2000.

<sup>[32]</sup> "2000 Presidential Race First in Modern History Where Political Parties Spend More than Candidates," Brennan Center for Justice, December 11, 2000.  
<http://www.brennancenter.org/tvads2000.html>

<sup>[33]</sup> James F. McCarty, "Radio Ads Target Justice Long Before 2000 Vote," *Cleveland Plain Dealer*, November 20, 1999.

<sup>[34]</sup> Melanie Markley, "Pro-Republicans Aim to Oust GOP Member of Education Board," *Houston Chronicle*, November 4, 2000.

<sup>[35]</sup> Raja Mishra, "State Races See Big Money," *Boston Globe*, November 6, 2000.

---

Affiliated with The George Washington University

The Campaign Finance Institute | 1990 M Street, NW,  
Suite 380 | Washington, DC 20036  
Phone: 202-969-8890 | E-mail: [info@CFInst.org](mailto:info@CFInst.org)

© 2000-2004 Campaign Finance Institute

Statements of the Campaign Finance Institute and its Task Forces do not necessarily reflect the views of CFI's Trustees or financial supporters.

EXHIBIT F

# **The Union Leader** **NEW HAMPSHIRE SUNDAY NEWS**

Choose a section

Search Site

Granite Status - October 24, 2002

## **John DiStaso:** **GOP attacks Shaheen** **on 'Old Reliable' taxes**

By JOHN DISTASO  
Senior Political Reporters

**RATCHETING UP.** John E. Sununu has been pummeled by Jeanne Shaheen and her supporters in negative attack ads for weeks now — ads the Republicans say are filled with lies.

Now, the state GOP and Sununu's supporters in the business world are counter-attacking with ads the Shaheen camp calls "grossly dishonest."

Republicans, when in trouble, usually fall back on their "Old Reliable" — taxes and spending. Guess what? The new Republican State Committee ad, which began airing yesterday, contains the following:

"An interesting New Hampshire fact. It took 79 governors 200 years before state spending reached a billion dollars. It took one governor just six years to double that. Jeanne Shaheen. It took Shaheen just six years to double state spending, abandon her no-new-taxes pledge and sign the first-ever statewide property tax. Record spending, record taxes: Tell Jeanne Shaheen she's made history."

- NH politics
- Granite Status
- State House Dome
- City Hall

The GOP has stooped to a new low here, say the Dems. The ad "deliberately and inexcusably pretends" that the state Supreme Court's Claremont II ruling never happened, says Shaheen spokesman **Colin Van Ostern**. The Shaheen camp says that if you set aside the \$825 million to \$900 million in new state education funding each year since fiscal 1999, state spending grew less under Shaheen than under GOP Govs. **John H. Sununu** and **Judd Gregg**.

It says that John E. Sununu sat on a U.S. House Budget Committee that wrote budgets whose growth outpaced the state general fund and, it says, New Hampshire has the third lowest combined state and local tax burden in the country. Tough, say the Republicans. Shaheen was governor when Claremont II came down. She made choices on how to address it. She chose to spend money. It was on her watch and so it's on her head.

**TOO HOT TO HANDLE.** The Republican State Committee is also dumping tens of thousands of new attack mailers in at least six state Senate districts. Most tie the local Democratic Senate candidate to that party's gubernatorial candidate, income tax advocate



## Mark Fernald.

It's brutal. One of the targeted districts is the Rochester-Somersworth area, where Democratic incumbent **Caroline McCarley** is now in a tight race with former Rochester Mayor **Dick Green**.

"Irresponsible," blares the mailer. "That's what people are calling the Mark Fernald and Caroline McCarley Democrat Income Tax Team!"

The piece alleges the "Democrat Income Tax Plan threatens to cut paychecks for working families, tax retirement benefits for seniors, including pensions, 401(k)s and IRAs and tax capital gains earned from your growing small business."

It says the "Mark Fernald and Caroline McCarley income tax plan" cuts pay and taxes seniors' lifetime earnings. "Your Senate District; Your Neighbors, are at risk with Caroline McCarley," says the mailer.

Similar pieces will be sent to districts in which the Democratic candidate has backed an income tax. In districts where the Democrat clearly opposes an income tax, the Republicans have thought of other things to say. We'll all have to learn together what those things are.

The Republican are all too happy to point out Fernald's advocacy for an income tax. But are the Democrats? The state Democratic Party's new election guide for Manchester, Goffstown, Hooksett, Bedford and Litchfield contains nice "puff pieces" about their candidates for office from Shaheen on down. Fernald's piece talks about his "fight to solve the education funding crisis" and his focus on cutting property taxes. Nowhere in the piece are the words "income tax" written.

Sununu takes a hit with spiffy new state Democratic Party mailer alleging he "stands with the big polluters against New Hampshire families." Tough words. Tough campaign.

**THE CARNEY CONNECTION.** At last count, seven groups, including the Democratic Party's state and national Senate committees, have aired independent expenditure or issue advocacy ads on television and/or radio attacking Sununu. Sununu has had two groups, including the GOP, airing such these allegedly "non-coordinated" pieces.

Add two more for the Republican this morning — from non-descript groups called Americans for Job Security and the Club for Growth. Shaheen spokesman Van Ostern says that at least you know who's airing the ads on Shaheen's behalf. NARAL, the League of Conservation Voters, the Sierra Club, for example, all identify themselves. (It's hard to figure out who comprises the Campaign for America's Future or the Voters Reform Project, however, but they're all pro-Democrat groups tied to organized labor.)

But Americans for Job Security and the Club for Growth? Who are these folks?

Turns out that Americans for Job Security (AJS) has a very local tie — and his name is **David Carney**, the Hancock-based consultant with a long, illustrious resume in GOP political strategy. Carney confirmed yesterday he is the chief executive officer of AJS,

\*

which he describes as a "group of small businesses from across the country."

The Washington-based Campaign Finance Institute and the Annenberg Public Policy Center of the University of Pennsylvania say the American Insurance Association contributed \$1 million to found the AJS.

The institute's Web site says the American Forest and Paper Association also gave \$1 million. Carney denies both statements, saying the group is made up of small businesses from around the nation.

Speaking of \$1 million, that's about how much AJS plans to spend on television ads blasting Shaheen statewide and on Boston channels, Carney says. The group (which is a trade association, not a political action committee) regularly advertises in high-profile close races for federal office.

And although these are not coordinated with the Sununu campaign organization, Carney clearly had much to do with AJS' involvement here. For the record, Carney worked with Paul Collins, Sununu's campaign manager, 20 years ago when they were the two top aides to former Gov. John H. Sununu. They worked together in the White House political affairs office in the first **George Bush** administration, when the elder Sununu was their boss as chief of staff.

Carney more than a year ago began a "Draft (John E.) Sununu" group for the current Senate run. Carney is not now directly involved in the Sununu campaign, but he's clearly interested. His disdain for Shaheen is clear.

Two years ago, he accused her of mailing anonymous post cards attacking his client, candidate for governor **Gordon Humphrey**. Nine months after the election, Carney acknowledged he was wrong to blame Shaheen. Also yesterday, ads began linking Shaheen with Senate Majority Leader **Tom Daschle**, who appears as a bobblehead. The ad is from the Club for Growth, a self-described group of "pro-growth conservatives" that aims to help "the most free-market oriented candidates in tight but winnable races."

The ad says, "Tom Daschle and the Daschle Democrats like to say 'no,'" to Bush on tax cuts, homeland security and eliminating the so-called death tax.

"Call Jeanne Shaheen. Tell her to say 'no' to the Daschle Democrats."

The Club for Growth was founded in 1999 by conservative activist **Steve Moore**, National Review President **Dusty Rhodes**, Cato Institute president Ed Crane and economist and CNBC's "America Now" co-host **Larry Kudlow**. Its executive director is **David Keating**, who is also executive vice president of the National Taxpayers Union. The group is spending \$600,000 on six tight Senate races; the others are in Arkansas, Colorado, Missouri, Texas and South Dakota. A spokesman couldn't say how much is being spent on New Hampshire.

**TORT FOR TAT.** Tort reform has been overshadowed in the Senate race by debates over taxes, homeland security, national defense, Social Security and the economy.

But the Senate next year may take up major product and medical liability reform initiatives already passed by the Republican-dominated House.

The pro-tort reform U.S. Chamber of Commerce is backing bills for '03 that would restrict class action lawsuits, which are often lucrative for attorneys, and would heighten the standard for an award of punitive damages in health care lawsuits to "clear and convincing evidence."

Portsmouth attorney **Tom Watson** of the New Hampshire Trial Lawyers Association and the national trial lawyers group, says they want Shaheen in the Senate because she could be the difference between an all-Republican federal government and the status quo of a GOP White House and a divided Congress. That could make the difference on the fate of tort reform.

"It is important because it adds balance," he said. "It allows for a debate, which is really what you have to have on these issues. Otherwise, you have all the cards stacked in favor of one party."

The Association of Trial Lawyers of America PAC has contributed \$150,000 to Shaheen's soft money joint fundraising committee, New Hampshire Senate 2002, and has given \$10,000 in direct contributions to Shaheen for Senate.

Shaheen was also a featured guest at the association's winter convention in Miami last February. According to the ATLA web site, Shaheen attended its PAC reception and a Women Trial Lawyers Caucus brunch along with other "politically influential women," Sen. **Jean Carnahan**, D-Mo., U.S. House Democratic Whip **Nancy Pelosi**, D-Cal., and Reps. **Nita Lowey**, D-N.Y., and **Shelley Berkley**, D-Nev.

Overall the last month, the lawyers' PAC contributed \$1.05 million to federal candidates and other political committees.

**THANKS, FRIENDS.** NEA-New Hampshire, the state's teachers union, has its own newsletter backing Democratic candidates for the major offices. But is the photo they used of **Martha Fuller Clark** really an endorsement?

It's remarkably like the Republican attack ad Clark wants pulled off the air. It shows Clark walking down a street and waving, followed closely by her campaign bus, which, of course, has plastered across the top, "Here Comes Martha."

Perhaps responding to the "Here Comes Martha" ad, Clark now has her own **anti-Jeb Bradley** attack piece. This one has Republican Bradley dancing on the State House steps.

"Tired of Bradley's song and dance" on Social Security privatization, it asks. "Protect Social Security by standing with the one who always stands with us."

Late yesterday, GOP state Chair **John Dowd** called upon Clark to pull the ad because, he said, Bradley "has said over and over again that he opposes Social Security privatization."



# Texas Observer

Sharp reporting and commentary  
from the strangest state in the Union.

[Home](#) [Current Issue](#) [Subscribe](#) [Search](#) [Archives](#) [How you can help](#) [About Us](#) [Contact Us](#) [Site Map](#)

Feature: 3/12/2004

## Meet the Attack Dogs

*Americans for Job Security loves to get involved in Texas politics*

BY JAKE BERNSTEIN

For some it might be considered a badge of honor, but for state Rep. Tommy Merritt (R-Longview), it probably feels more like tire tracks. The affable East Texas Republican was run over this year by one of the nation's most vicious campaign hit teams, a secret outfit whose reach spreads all over the American political system. It specializes in attempted assassination of political careers under the guise of issue education. Apparently, one sure way to escape the torrent of negative attacks it can bankroll is to avoid crossing George W. Bush and a select group of Texas Republicans.



Rep. Tommy Merritt (R-Longview)

with his district instead of following the dictates of U.S. House Majority Leader Tom DeLay (R-Sugar Land) and Co.

When Sen. Bill Ratliff (R-Mt. Pleasant)—who also opposed congressional redistricting in 2003—retired, Merritt opted to run for the open Senate seat. It was largely a three-way contest. On one side was Paul Sadler, a Democratic trial lawyer and former state rep. On the other side was Kevin Eltife, a young Republican mayor from Tyler. And caught in the middle was Rep. Tommy Merritt, the owner of a small insulation contracting business. Governor Rick Perry, and more importantly, his financial network, supported Eltife over Merritt.



**email** this to  
a friend or colleague



Order back issues

TexasObserver.org  
**SEARCH**  
(full site text search)

go

Merritt, who refused to comment for this story, is guilty of many sins in the house that Rove wrought. He wears a scarlet M for Moderate. His freethinking independence is a frowned-upon trait in a party leadership that demands a lockstep response. In 2001, Merritt voted with Democrats on legislative redistricting—rejecting the first step in what appears to have been a long-term GOP plan to stack the Texas Legislature. During the 2002 race for speaker of the Texas House—currently under investigation by a Travis County grand jury—Merritt was frequently mentioned as an ABC (Anybody But Craddick). Then in 2003, in the heat of a third special session on redistricting, Tommy Merritt had the temerity to vote

25044121661



That's when Americans for Job Security (AJS) appeared on the scene. Launched in 1997 with a million-dollar contribution from the American Insurance Association, the Virginia-based AJS claims to have 500 members. It's impossible to know if that's the truth since the group refuses to release a membership list or divulge how much special interest money is funneled through the organization. It does admit that it uses corporate money. It's unclear if one person or many finance any given AJS campaign. You can't find out without a subpoena. AJS is a 501(c)(6) organization and is allowed in most state elections to run so-called third-party "issue advocacy" ads, purportedly to educate voters. In the radio, television, or direct mail advertisements it sponsors, AJS doesn't have to reveal anything about itself other than its name. Since its founding, it's estimated the group has spent about \$26 million on political races all over the nation, including \$8.5 million in 2002 and \$7.5 million in 2000.

The way AJS President Mike Dubke explains it, the organization is just an assemblage of public interest-minded champions of free enterprise educating voters on the records of politicians who want to gouge taxpayers. As a third-party group, AJS cannot legally coordinate with candidate campaigns nor can it explicitly call for the election or defeat of a candidate. That might be seen as a campaign contribution. Instead, AJS just scours the known universe of elections in the United States, from the lowliest state board of education race to U.S. Senate campaigns, looking to make a difference. And as it combed through all the ongoing political races in the country late last year, it just happened to come across a special election in East Texas.

"Basically the thrust of our organization is to advocate pro-market, pro-paycheck issues across the country," says Dubke. "In Texas, our piece concerning Tommy Merritt was right up our alley, talking about an individual who wants to raise taxes on goods and services and basically take more money out of the pockets of the average citizen."

AJS used two radio ads and a lot of airtime to mow down Merritt's record. Dubke stands by the ads and says his group is legally bound to speak only the truth in them. Both ads used similar content but cast the message in different scenes that mimicked fellow radio listeners. In one, the listener first hears the rattle of dishes and the pouring of coffee to conjure up a fictitious couple sharing their morning repast. In the other, a man and woman drive along in their car, just another pair of commuters listening to the radio.

In the dining room scene, the man chuckles to himself and says, "You can't make this up. According to the *San Antonio Express-News* Tommy Merritt introduced a quote stupid bill that would allow people to simply hand the police officer a prepaid coupon when they got pulled over for speeding."

Admittedly, it was one of Merritt's more peculiar legislative ideas, but the *Express-News* line was in fact taken from an overly cutesy book review of a tome called *Dumb, Dumber, Dumbest: True News of the World's Least Competent People* and not, as AJS would have listeners believe, a news story. The ad also featured casual cuts like, "I always wondered what he did down there." And it makes the charge that Merritt only "passed eight bills in eight years," which is accurate but not a complete picture of the representative's contributions as it does not take into account bills he co-authored or amended.

In each ad, AJS shoots its favorite pro-tax bullet, accusing Merritt of wanting to expand the sales tax. It never mentions that this is to fund education. Instead, it sounds like a whim—the Republican representative just likes to raise people's taxes. (An irony here is that Governor Rick

Perry and the Republican Legislature might well end up expanding the sales tax to end the Robin Hood education funding system.)

The tag line of the breakfast piece is, "Well that's Tommy Merritt. Stupid bills and higher taxes."

Not surprisingly, Merritt didn't reach the run-off. Although Dubke insists there was no coordination between AJS and Governor Perry's office, the campaign benefited the state's Republican leaders in two ways. It allowed Eltife more time to introduce himself to new constituents and it freed up other third-party Republican-leaning groups like Texans for Lawsuit Reform to tenderize the Democratic trial lawyer for the Eltife run-off. It also sent a clear signal to Texas GOP moderates everywhere about just who was in charge.

On January 15, the nonprofit watchdog group Campaigns for People filed a letter of complaint with Travis County District Attorney Ronnie Earle about the ads. The complaint asks for an investigation of the possible violation of the Texas prohibition on corporate contributions and expenditures for electioneering. Did AJS coordinate in some way with the Eltife campaign? "[AJS has] been on the edge of—if not violating—the law and the states and feds haven't done anything about it," complains Fred Lewis, executive director for Campaigns for People.

Lewis believes that the negativity of the AJS ads discourages voters from participating in the political process. The secrecy of who funds AJS obscures whether the organization is deliberately skirting the century-old prohibition in Texas on corporate money in campaigns. "There is nothing redeeming about [the ads] at all," he concludes.

Gregg Cox, a prosecutor in Earle's office, says the DA is still looking into whether the complaint merits a full investigation. The only other time it appears AJS was slapped by regulators or law enforcement for its activities was in Alaska. In 2002 the Alaska Public Offices Commission voted to direct its staff to consider sanctions against AJS for failing to file campaign disclosure reports for television ads aired on behalf of a Republican candidate for governor of the state. The commission ended up imposing a \$150 fine that Dubke claims is still unresolved.

Inevitably, when an AJS attack ad airs, the local media clucks about the tone and sometimes even the messenger. When there is an uproar over the ads the real beneficiary of the publicity—the person who's running against the one being tarred—almost always condemns it and asks AJS to stop. AJS normally ignores the pleas. It's a cost-free inoculation for the benefiting candidate. Dubke says such griping is typical. "It messes up their political plans whether they like what we say or they don't like what we say," he says. "That's kind of a badge of honor for us."

A key to understanding how AJS really works can be found in the person of David Carney, who appears to be the wizard behind the curtain. An East Coast Republican with roots that stretch back to New Hampshire and the first Bush White House, Carney served Bush I as political director. He was also chief of staff for Governor John H. Sununu. In newspapers as diverse as *The Dallas Morning News* and the *Chicago Tribune*, Carney is described as a "GOP strategist." In Texas, the press has labeled him Governor Perry's "chief advisor" and "general campaign consultant." AJS president Dubke calls Carney a "consultant" for the group. But as recently as 2002, the media reported Carney was "chief executive" of AJS. (Carney did not respond to a request for comment from the Observer.)

Carney's affiliation with Perry again spilled onto the pages of the *Morning News* recently. Over the President's Day weekend last month, Carney joined the governor, Texas' first lady Anita Perry, the governor's top staff, and their spouses as well as the director of the right-wing think-tank, the Texas Public Policy Foundation Brooke Rollins, Republican strategist Grover Norquist, and two of Perry's biggest contributors, John Nau (\$120,000 since 2000) and James Leininger, (\$75,000 since 2000) along with their wives on a yacht in the Bahamas. The group flew a private jet to the Abaco Islands in what was billed as a private "retreat to discuss public school finance." Leininger, an ardent proponent of vouchers and charter schools, is practically the only major donor to Perry and GOP legislators who didn't have his wishes fulfilled by the 78th Legislature. It may take a special session on school finance to accomplish that.

"I don't think where we went has a thing to do with whether or not there was real, progressive conversation," a defensive Perry told the *Morning News*. "And there was real progressive conversation. I'm glad I went." (It's left to the imagination what subjects those conversations included, but if even a tenth of the rumors floating around the Capitol at the time were true, they were likely quite interesting.) Perry now says he will pay for the trip from his campaign account.

During the Merritt race, Carney told the political newsletter, the *Quorum Report*, that the AJS campaign was "not intended to impact on an election." If it did, that would be electioneering and possibly illegal coordination. In the same way, Carney insisted to the *Houston Chronicle* in late 2000 that AJS didn't coordinate with the Bush II presidential campaign when it snuffed out a Republican incumbent on the State Board of Education.

San Antonio dentist Bob Offutt had first been elected to the state board in 1992. The radical-right ideologue didn't think much of Governor George W. Bush and endorsed Steve Forbes in the 2000 presidential election. Offutt even campaigned in New Hampshire and Iowa, cutting radio ads for Forbes blasting Bush's record in Texas. When it came time for the Republican primary for the State Board of Ed, AJS exacted retribution, spending more than \$40,000 on direct mail to successfully defeat Offutt. But there was no coordination with the Bush campaign, insists Carney.

Seemingly in every report on the danger of abuse of "issue advocacy" in elections, AJS is mentioned as a prime suspect. It was likely activities by AJS and other similar organizations that prompted the crafters of the federal campaign legislation known as McCain-Feingold to take action on the subject. The new law prohibits AJS or other "third-party" groups from broadcasting their wares within 60 days of an election for federal posts. It does allow them to drop direct-mail pieces within that period.

It is precisely during those 60 days that the public is paying attention, says Dubke, who argues passionately against the campaign law. "I don't think the Politburo had such restrictions in the U.S.S.R. during the height of Communism than we now see under McCain-Feingold," he says.

The prohibition on the federal level might not stop the group from activities like flying a banner at the Minnesota state fair during the Wellstone campaign in 2002 that read: "Wellstone Quit Taxing the Dead!" Nor will it prevent the group from mixing it up in state elections. If anything, in the future AJS could become more active on the state level since it won't be spending as much money on federal races.

Some Republicans argue that AJS is simply doing what the Sierra Club, labor unions, and third-

25044121664

party groups on the left regularly do. But there is a qualitative difference. Voters know what the Sierra Club stands for and that the bulk of the money the organization raises comes from individual environmentalists. Nobody knows what's behind the meaningless name, Americans for Job Security. Even Texans for Lawsuit Reform carries more truth in advertising.

"We don't know who is funding [Americans for Job Security]," notes Fred Lewis of Campaigns for People. "Is it Chinese businessmen who want to outsource jobs to China? Here is the reason that disclosure is so important: The public is entitled to know if AJS is just a bunch of insurance companies."

Dubke understands that keeping the membership of AJS secret will be viewed as suspect. The group does it, he contends, to prevent the media, or voters for that matter, from making the messenger the message.

"We figured we would take that knock and that's a knock that we are willing to take," he says. "We feel that the fact that our issues are being spoken about, more so than one or two members, is much more important."

The calculation is an understandable one. No one has been willing to hound AJS for its work on behalf of faceless special interests in the systematic and sustained way AJS attacks candidates. It's too bad, since if ever there was a case where the messenger is the message, this is it.

Print-friendly version || E-mail this article || Write the editors  
Order back issues || Issue Table of Contents

Back to Top

Home - Current Issue - Subscribe - Search - Archives  
How you can help - About Us - Contact Us - Site Map

Copyright © 2001 Texas Democracy Foundation. All rights reserved.

Web site planning and development by **nonprofit works**



Never miss a single issue



Subscribe online  
& save 33% off  
newsstand price

[Respond to this Article](#)

May 2004

# Bush's Secret Stash

Why the GOP war chest is even bigger than you think.

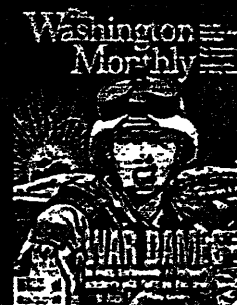
By Nicholas Confessore

Like the natural world, campaign finance is governed by inescapable laws of physics. One is that what goes up usually keeps going up: During every presidential election, the two parties manage to raise more money than they did the last time around. Another is that any given action rarely produces an equal and opposite reaction. Every four years, the GOP outraises and outspends the Democratic Party, usually by tens of millions of dollars.

Until recently, the Democrats could even the scales somewhat by raising "soft" money, the unlimited contributions from rich individuals, corporations, and labor unions that flowed to both parties in roughly equal amounts during the 1990s. But two years ago, the McCain-Feingold Act prohibited parties from raising soft money, a goal long sought by liberal newspaper editorialists and good-government activists. Ever since, the Democratic Party's fundraising has lagged even farther behind the GOP's than usual.

But last summer, a coterie of labor campaign operatives, liberal advocacy-group leaders, and old Clinton hands began exploiting one of McCain-Feingold's loopholes. They organized several groups under Section 527 of the tax code to raise and spend the soft money which the Democratic Party no longer could. Scores of wealthy liberals, among them George Soros, have together given tens of millions of dollars to these "527s," which have generic names like Americans Coming Together and Voices for Working Families. And in March and April, these groups spent a chunk of the money on issue ads attacking Bush, just as Bush was spending

**Subscribe Online Now &  
Save 33% Off Cover Price**



"If you only get one subscription this year, buy The Washington Monthly. If you get another, buy two."  
—James Carville

\$50 million from his campaign war chest to attack Kerry. Though Kerry has raised \$85 million worth of the \$2,000 and under "hard money" donations permitted under McCain-Feingold--a Herculean amount for a Democrat--Bush has raised more than twice that. Without help from the 527s, the Kerry campaign would probably be in big trouble.

The GOP, of course, is well aware of this. Which is why its lawyers have filed legal challenges with the Federal Election Commission to get the 527s shut down, charging that this "Democratic shadow party" represents a "conspiracy" to "illegally" pump soft money into the presidential race. Such campaign finance groups as Democracy 21, the Campaign Legal Center, and the Alliance for Better Campaigns--which once butted heads with Bush over his opposition to McCain-Feingold--have joined the battle against this new Democratic weapon, as have anti-soft money editorial boards at newspapers across the country. In an editorial titled "Soft Money Slinks Back," *The New York Times* inveighed against "political insiders" who were "carving a giant loophole" in election law, while the *Los Angeles Times* called upon the FEC to "issue tough new rules" against the 527s. The Boston Globe was even more acerbic, raging in April that the commission "has all but declared itself impotent to act during this election cycle."

Thus chastened, the FEC last month held two days of hearings on the issue. But a curious thing happened. Instead of coming in for the kill, the GOP's lawyers who were invited to testify refused to appear. Why did they pass up an opportunity to potentially cripple the Kerry campaign, an opportunity for which they had implored the commission for months? Because the FEC had decided that, as long as it was trying to figure out what kind of political activities were legal for 527s, it should also take a look at another category of organizations, known as "501(c)s." Many well-known groups--from AARP to the Nature Conservancy--are set up under Section 501(c) of the tax code, and are also allowed to raise and spend donations for political purposes, including running television "issue ads" that mention candidates. And such 501(c)s as the National Rifle Association and the National Right to Life Committee are vital allies of the GOP; they raise money mostly from their members and use it to buy ads or direct mail supporting the position of one candidate (usually the Republican) or attacking the position of another (usually the Democrat) on issues important to the group. The GOP lawyers had an obvious interest in not wanting the FEC to do anything that might cripple these groups' ability to help the party.

But they were also eager to protect a whole other category of 501(c)s--one that has garnered little attention from campaign finance reform groups or reporters covering the 2004 election. Like the Democratic 527s, these groups have innocuous-sounding names: Americans for Job Security, for example, and Progress for America. Like the 527s, these groups are staffed by veteran party operatives and, in practice, are wholly or primarily devoted to getting their side's candidates elected. And like the 527s, they may raise and spend unlimited amounts of soft money on radio and television ads, direct mail, and voter contact efforts.

There are, however, a few key differences that make 501(c)s a far more insidious vehicle for soft money. The law does not require that they disclose how much they spend until well after Election Day. Worse, they don't have to disclose who their

donors are at all. Even foreign governments can in theory give money, with no questions asked. No one knows how much the Republican shadow party has raised or will spend this year. But the tens of millions they spent in 2002 were instrumental in putting the Senate back in GOP hands--and there's every possibility they could help push Bush and the Republicans over the line come November.

### They've got issues

One of the peculiarities of Washington's influence industry is that large parts of it aren't actually in Washington. If you wanted to learn what issues are important to, say, the American Academy of Physician Assistants or the National Rural Letter Carriers Association, you'd have to journey beyond the district line, and in particular to Alexandria, Va., a small suburb located a few miles down the Potomac. Not too long ago, Alexandria was a fading industrial center, its economy kept afloat by tourists and antique-hunters treading the quaint brick sidewalks of colonial-era Old Town. But beginning in the early 1990s, hundreds of trade associations--drawn by the cheap office space, city-subsidized financing, and easy access to Capitol Hill--began setting up shop here. So many trade associations have flocked here during the past decade, in fact, that they've become the city's second biggest industry, producing almost as many jobs as the local tech businesses.

One of the recent arrivals is Americans for Job Security, located in a tidy brick building on the northern border of Alexandria's new white-collar sprawl. "It's so much cheaper out here than being downtown," says AJS's president, Michael Dubke, as he greets me at the front door and leads me into a nondescript conference room. Like many of its neighbors, AJS is organized as a 501(c)(6), which is to say a not-for-profit "business league" or trade organization. But as trade organizations go, it is rather unusual. Not only is the group's membership--several hundred individuals, corporations, and other trade organizations--secret, but by all appearances, the members don't share a particular line of business. Despite a budget of millions of dollars a year, AJS doesn't have the kind of public relations or policy staff that, say, the Chamber of Commerce does. In fact, Dubke, a cheerful, clean-cut 33-year-old with the rangy build of an ex-jock, is AJS's sole employee. The group has no Web site, puts out no policy briefs or press releases, and does no lobbying on the Hill.

About the only thing that AJS does is buy television, radio, and newspaper advertisements--lots of them. This is a source of pride for Dubke. "Ninety-five percent of the money that we take in membership [dues] is spent on our grassroots lobbying," he tells me, like a discount carpet salesman bragging about his low overhead. "We spend our money on product." During the hotly contested 2000 race, widely regarded as a watershed election for issue advertising, AJS spent about \$9 million on political ads. A chunk of the money went towards attacking Democratic presidential candidate Al Gore for his prescription-drug plan, with ads airing in such key media markets as Spokane, Wash., and Tampa, Fla. (All told, according to a study by the Brennan Center, AJS was the most active outside group supporting Bush in 2000.) But AJS didn't stick to the presidential race. It also spent millions of dollars on behalf of Republican candidates in closely-fought Senate races in Michigan, Nebraska, and Washington. During the midterm elections two years later, with Democratic control of the Senate at stake, AJS dumped another \$7

25044121668

million into advertising, again mostly in key races, notably Minnesota's.

Traditional 501(c) groups run ads on a narrow set of issues important to their members. This year, for instance, the NRA might run ads attacking candidates who support extending the ban on assault weapons, while the Sierra Club might air spots against candidates who support drilling in the Arctic National Wildlife Refuge. AJS, by contrast, is more catholic in its interests. During the last two election cycles, the group's campaign ads have addressed taxes, education, tort reform, prescription drugs, immigration, dam removal in the Pacific Northwest, even federal regulation of drinking water--"basically anything we label a 'pro-paycheck' message," Dubke remarks.

Much like a political party, AJS only seems to lurch into action at election time, even if one of its many core issues is being debated in Congress at some other time. Traditional Washington trade associations expend most of their resources trying to affect the legislative process, but Dubke sees this as a waste of time. "Our main purpose is to get these public policy issues out into the debate," he told me. "I have yet to have somebody tell me when is a better time to talk about public policy issues" than during campaign season.

Aside from timing, about the only thing AJS's ads have in common is that nearly all of them attack Democrats, usually those in tight races. And although groups running "issue ads" are not supposed to coordinate with candidates, in at least some cases AJS appeared to do just that. During 2000, for example, AJS launched a massive ad campaign in support of embattled incumbent Sen. Spencer Abraham (R-Mich.). As *Newsweek* reported that year, funding for the ads came from the tech industry, which cut checks to AJS at the request of then-Senate Majority Leader, Trent Lott (R-Miss.), Abraham's mentor. In 2002, the group ran ads in Alaska, where incumbent Republican Sen. Frank Murkowski was in a tight race with the state's Democratic lieutenant governor. According to published reports at the time, AJS's ads followed a conference with Murkowski's political consultant and used the same themes that Murkowski's own campaign was employing.

### The other shadow party

By all appearances, AJS's main purpose is rather like that of a Democratic-leaning 527. Just as the 527s collect soft money from traditionally pro-Democratic interests and spend it to help defeat Republicans, AJS collects soft money from traditionally pro-Republican interests and spends it to defeat Democrats--but without facing any of the scrutiny the 527s do. Indeed, that's the whole idea. The Democratic shadow party has received massive press coverage during the past year, their donors demonized as shady fat cats by Bush surrogates in the conservative press.

Contributors can give to the Republican

501(c)s, however, with no fear of being outed. Dubke allows that his donors include corporations, other trade associations, and individuals, but won't disclose their names (though a few, including the American Insurance Association and the American Forest and Paper Association, have gone public with their involvement). It makes sense that corporations and trade groups that give to AJS might not want their names to get out. With business on Capitol Hill, and hence a need to court Democratic members of Congress, they don't necessarily want to be seen

25044121669



contributing to a group that might be targeting some of those same Democrats. As Dubke puts it, "We have the ability to say things that other people might be afraid to say because they have other agendas and other interests."

Another GOP soft-money conduit is Progress for America, a self-described "national grassroots organization" that listed zero income from membership dues on its last tax return. Like many such groups, it is run by a handful of operatives with a half-degree of separation from the GOP. Its founder is Tony Feather, the political director of President Bush's 2000 campaign. Feather's own consulting firm handles direct-mail and get-out-the-vote contracts for Bush's reelection effort, the Republican National Committee, and the party's congressional campaign committees. The former political director of one of those committees, Chris LaCivita, is now executive director of PFA. The group's Web site used to describe its purpose as "supporting Pres. George Walker Bush's agenda for America," but that slogan, apparently too brazen to pass legal muster, has since been changed; now PFA supports "a conservative issue agenda that will benefit all Americans." The group hopes to raise up to \$60 million in soft money this year, and has enlisted the help of some prominent Republicans to do so, including Bush's campaign manager, chief campaign counsel, and party chairman. Thus, when Bush's lawyers accuse the Democrats of organizing a "soft-money conspiracy," they know what they're talking about.

Other GOP soft-money front groups include the American Taxpayer Alliance, run by Republican operative Scott Reed, and two groups chaired by former RNC lawyer Christopher Hellmich, Americans for Responsible Government and the National Committee for a Responsible Senate. Then there's the benignly-named United Seniors Association (USA), which serves as a soft-money slush fund for a single GOP-friendly industry: pharmaceuticals. USA claims a nationwide network of more than one million activists, but, just like Progress for America, listed zero income from membership dues in its most recent available tax return. USA does, however, have plenty of money on its hands. During the 2002 elections, with an "unrestricted educational grant" from the drug industry burning a hole in its pocket, the group spent roughly \$14 million--the lion's share of its budget--on ads defending Republican members of Congress for their votes on a Medicare prescription-drug bill.

So how much will these groups spend on behalf of the GOP this year? There's no way to know now, because, unlike 527s, these 501(c)s won't have to disclose their 2004 fundraising activities until 2005 at the earliest. But it's a pretty fair guess that they'll give their Democratic doppelgänger a run for its (soft) money. According to an investigation by *The Washington Monthly*, just three of the pro-GOP groups--Americans for Job Security, the United Seniors Association, and the American Taxpayer Alliance--spent close to \$40 million during 2002. And that was an off-year election. By contrast, the eight Democratic groups currently being sued by Bush's reelection campaign have raised about \$50 million so far during the 2004 presidential cycle.

### Primary colors

To the average person, it might seem that if the Democratic 527s are a cynical

25044121670

mechanism for evading the ban on soft money, then surely the GOP-leaning 501(c)s are even more so. How, then, does the Republican shadow party get away with it? First, while the 527s admit that their ads are meant to affect elections, the 501(c)s do not. Instead, they insist that they're running "issue ads" intended merely to rouse debate about specific issues, not get anyone elected or defeated. Legally, this is considered "grassroots lobbying," an activity on which 501(c)s can spend unlimited amounts of money.

Now, the IRS code wisely allows 501(c)s to spend some of their money on ads meant to affect elections. Otherwise, traditional membership groups like the NAACP or Concerned Women for America wouldn't be allowed to make their voices heard on a candidate's position on, say, voting rights or gay marriage. So the second legal test is whether a group's "primary purpose" is to affect elections. The Democratic 527s admit up front that electioneering is their primary purpose; indeed, that fact is built into the legal definition of a 527. But to merit 501(c) status, the GOP groups must--and do--insist that electioneering is not their primary purpose. Indeed, like most of the GOP shadow groups, AJS reports on its 2000 returns spending zero dollars on political activity.

This is a curious claim for a group like AJS to make, considering it spends 95 percent of its budget on campaign-season ads that mention candidates. Indeed, were you to compare almost any Democratic 527 spot to one run by the Republican 501 (c), you would be hard pressed to explain why one is intended to influence an election and the other is not. Following the 2000 elections, University of Wisconsin political scientist Kenneth Goldstein surveyed the issue-ad campaigns run by dozens of outside groups. As part of the study, his student volunteers viewed a series of AJS spots and answered the question, "In your opinion, is the purpose of the ad to provide information about or urge action on a bill or issue, or is it to generate support or opposition for a particular candidate?" They found without exception that what they had seen fell into the second category. When I mentioned the study to Mike Dubke, he responded, "I think that's ridiculous."

So who should decide whether AJS's ads are electioneering (and, hence, whether AJS's primary purpose is or is not political)? Legally, it's up to the Internal Revenue Service. But here, the GOP has yet another advantage. Because when it comes to checking up on nonprofits, the IRS makes the notoriously lax FEC look like a band of jackbooted thugs. Given that there are 1.4 million tax-exempt organizations in the United States, and enough personnel to inspect about 2,000 of them per year, the chance of a random audit is about one in 700. In practice, the IRS rarely investigates a nonprofit unless somebody files a complaint. And even then, privacy concerns constrain the IRS from revealing whether or not it has opened an investigation, and indeed whether or not it has come to any judgment.

But even if the taxmen did decide to take a closer look at AJS, it would still be in little danger of an unfavorable ruling. Since the IRS was never intended to police elections, the rules governing political activity by nonprofits are extraordinarily vague. In fact, there is no bright-line test for deciding whether an activity is political in nature or whether a 501(c) organization is "primarily" engaged in electioneering activities, and thus in violation of its tax status. Instead, IRS auditors judge organizations' activities on more than a dozen criteria and decide whether or not all

the "facts and circumstances" of those activities taken together "tend to show" a violation. In other words, the process is completely subjective.

Not surprisingly, this subjectivity makes the auditing process vulnerable to political pressure. And since taking control of Congress in 1995, the GOP has done its best to frighten the IRS away from snooping around. In 1998, Senate Republicans, hoping to galvanize the anti-tax vote for the upcoming elections, staged an elaborate series of hearings featuring horror stories of abusive behavior by IRS agents. A review by the General Accounting Office would later conclude that "no evidence was found of systematic abuses by agents." But by then Congress had passed legislation that hamstringing the agency's enforcement efforts. "IRS audit activity fell off dramatically across the board" after the hearings, notes Marcus Owens, a former director of the IRS's Exempt Organizations Division. "While it has recovered somewhat for individuals and corporations, it has not recovered for tax-exempt organizations."

When the IRS does try to step up to the plate, the agency usually gets smacked down. During the late-1990s, the IRS decided to revoke the tax exemption of a charity run by former Republican congressman Newt Gingrich, after finding that Gingrich had used it as a slush fund for his political action committee. But later, under pressure from a GOP member of Congress, the IRS reopened the case and restored the group's tax exemption.

### Cop out

It may not be surprising that, with President Bush in the White House and Congress run by his fellow Republicans, the IRS isn't going after the GOP's shadow party. A greater mystery is why the press and campaign finance groups haven't blown the whistle, even as they pound away at the Democrats' 527s. One reason is that--as with most things--the GOP "won the early game to define the issue," observes Simon Rosenberg of the New Democratic Network, a 527 which runs electioneering ads. "They convinced reporters that this was only about 527s." Another reason is that reformers in Washington are often like the drunk who looks for his keys not where he thinks he dropped them, but under a streetlamp, where the light is better. Because 527s must disclose their donors and expenditures every quarter, it's easier for political reporters and watchdog groups to blow the whistle on them in real time, issuing reports and press releases about the latest soft-money outrage. The 501(c)s disclose virtually nothing--and by the screwy rules of Washington, no data, no foul. "When it comes to 501(c)s, the information is so sparse that hardly anyone has ventured into this area," says Craig Holman of Public Citizen, one of the few groups that tries to keep tabs on 501(c) political activity.

Holman suggests that a first step towards minimizing this abuse is to require 501(c)s to be at least as transparent as 527s: They should disclose their donors and electioneering expenses quarterly, and the IRS should make that information available on the Web. This disclosure solution probably makes more sense than what the FEC seemed to be contemplating in April: Banning all 501(c)s from using any soft money for any political purpose, a move that might have, for example, made it impossible for nonprofits to run non-partisan voter registration drives. Not surprisingly, the FEC has backed off that idea and now seems inclined to take no

action against either 501(c)s or 527s, at least until after Election Day. That's good news for the Kerry campaign, though the GOP's campaign of harassment may well have scared off some liberal donors. But it's great news for the Bush campaign, since it means that groups like AJS can continue to work their magic under the radar with far less oversight than Democratic 527s.

Should the Republican shadow party give Bush the extra artillery he needs to prevail against Kerry, the newspaper editorialists and good-government activists may someday regret the fact that they decried the Democratic shadow party while blithely ignoring the Republican version. Not because it may help get Bush reelected (what do they care?) but because it will drive the whole soft-money political economy deeper underground. Should Kerry lose, the Democratic operatives running 527s may conclude that there's little value in declaring themselves openly as electioneering outfits. Instead, they'll likely transmogrify their groups into 501(c)s. Nobody will be able to see how much money George Soros gave this quarter, or figure out who sponsored that \$500,000 ad campaign in the St. Louis suburbs. Soft money won't disappear. It will just become invisible.

*Additional reporting for this article was provided by Jason Stevenson and Kathryn Williams.*

Nicholas Confessore is an editor of *The Washington Monthly*.

---

[Mission](#) [Masthead](#) [Features Archive](#) [Writers Guidelines](#)  
[Feedback](#) [Customer Service](#) [Subscribe Online](#) [Make A Donation](#)

This site and all contents within are Copyright © 2003  
[The Washington Monthly](#) 733 15th St. NW Suite 520 Washington DC. 20005.  
Comments or questions ... please email Christina Larson by clicking [here](#)

## EXHIBIT I

[More Like This](#) | [More Like Selected Text](#)

9/24/02 Associated Press (AP) Newswires 00:10:00

Associated Press Newswires  
Copyright 2002. The Associated Press. All Rights Reserved.

**Tuesday, September 24, 2002**

APOC takes up soft money regulations, television ads

By MIKE CHAMBERS  
Associated Press Writer

JUNEAU (AP) - The Alaska Public Offices Commission took on the issue of soft money in political campaigns Monday by considering new rules forcing disclosure and sanctioning a soft money group.

The commission agreed to consider new rules requiring state political parties to divulge how they spend campaign contributions aimed at party-building expenses.

But it turned down a request from an attorney and former lawmaker to fast-track the rules in time for the Nov. 5 election.

In a 4-1 vote, the commission agreed to take up new rules that require political parties to report contributions and services offered for party expenses.

But it rejected the request from attorney Mike Frank and former lawmaker David Finkelstein to implement emergency regulations to require parties to divulge their soft-money spending before the election.

The proposed rules will have to go through a 30-day public comment period and be acted upon at a special meeting.

"In the long term if the regulation passes it will help in future elections," Frank said. "In the short term, I don't think it's going to help."

Commissioner Larry Wood voted against the measure, arguing that it should be left to the Legislature to adopt new soft money rules.

In a separate ruling, the commission ordered staff to determine what sanctions should be imposed against a nonprofit group that aired television spots critical of Lt. Gov. Fran Ulmer.

But the commission dismissed allegations that Republican candidate for governor Frank Murkowski had any ties to the group.

**Americans for Job Security**, a Virginia-based nonprofit that has aided other Republican candidates, aired several issue ads critical of the way Democrat Gov. Tony Knowles and Ulmer have managed the state's economy.

Separate complaints filed by John Alexander and John Robertson allege the ads were attempts to attack Ulmer's gubernatorial bid and that Murkowski's campaign aided the group and benefited from the ads.

Robertson also alleged Monday that a business owned by Murkowski campaign manager Gregg Renkes listed **Americans for Job Security** as a client.

Renkes did not attend the meeting. But Tim McKeever, attorney for the Murkowski campaign, questioned whether the information involving Renkes' campaign consulting business was current.

McKeever said former Murkowski campaign manager Bill Gordon and consultant Art Hackney had brief discussions

with representatives from **Americans for Job Security** group but did not discuss campaign strategy.

Gordon gave the group a public document produced by the Institute of Social and Economic Research, McKeever said.

Murkowski pollster David Dittman also discouraged the group from running ads in Alaska, McKeever said.

**Americans for Job Security** argued in a letter to the commission that it did not have to disclose who paid for the issue ads since they take no position in the election. The ads did not mention Murkowski and did not urge viewers to vote against Ulmer.

But Commissioner John Dapceovich said the ads were a veiled attack on Ulmer's ability to govern. The commission voted 3-2 to direct its staff to consider sanctions against the group for not filing campaign disclosure reports.

Commissioners Wood and Sheila Gallagher, both Republican members of the board, voted against the motion. Wood argued that the board had no evidence that the television spots were aimed at influencing the election.

---- INDEX REFERENCES ----

KEY WORDS: AP STATE WIRES: ALASKALTUREIESATIONS

NEWS SUBJECT: English language content (ENGL)

STORY ORIGIN: JUNEAU

NEWS CATEGORY: N

REGION: Alaska; Western U.S.; United States; North America; Pacific Rim; United States - Alaska; United States; North American Countries (AK USW US NME PRM USAK USA NAMZ)

Language: EN

SOURCE REGION: NME US

Word Count: 535

9/24/02 APWIRES 00:10:00

END OF DOCUMENT

[More Like This](#) | [More Like Selected Text](#)

Copr. (C) 2004 West. No Claim to Ong. U.S. Govt Works

Copr. (c) 2004 Dow Jones Reuters Business Interactive LLC (trading as Factiva). All Rights Reserved.



[More Like This](#) | [More Like Selected Text](#)

12/7/02 Associated Press (AP) Newswires 20:07:00

Associated Press Newswires  
Copyright 2002. The Associated Press. All Rights Reserved.

**Saturday, December 7, 2002**

**APOC says Outside attack ads broke campaign laws**

ANCHORAGE (AP) - The Alaska Public Offices Commission is standing by its earlier ruling that an Outside organization broke state campaign laws with ads attacking Gov. Tony Knowles and Lt. Gov. Fran Ulmer.

But despite its action Friday, the commission refused to impose a suggested \$1,900 fine against Virginia-based **Americans for Job Security**.

Attorneys for group told the APOC that its advertising was constitutionally protected issue advocacy and that the state agency has no jurisdiction over it. Two commissioners - Larry Wood of Eagle River and Sheila Gallagher of Anchorage - agreed with that analysis, but a three-member majority did not.

The ads, which ran in May and June, blamed Knowles and Ulmer for what they called a flagging Alaska economy during an election year in which Ulmer was running for governor. John Alexander, a former state labor commissioner, complained that the ads were intended to hurt Ulmer's chances, thus AJS should have reported its expenditures to the state and been subject to Alaska campaign limits.

The commission acted on Alexander's complaint in September. It rejected its staff's finding that the ads were legal, and said the ads violated state laws that require reporting of contributions and expenditures intended to influence the outcome of elections.

AJS asked the commission to reconsider that decision Friday.

Both decisions turned on legal definitions set down by the U.S. Supreme Court and federal circuit courts of appeal. AJS and its attorneys said the ads are free from state regulation unless they literally urge listeners or viewers to vote for or against a candidate.

The three commissioners who stood by the September decision holding the ads illegal used a different standard - that regardless of their wording, there can be no other reasonable conclusion but that the ads were intended to influence the election.

By another 3-2 vote, the commission voted to waive a \$1,900 civil penalty recommended by its staff. Prevailing members noted that the APOC's staff had concluded the ads were legal before the commission itself overrode that recommendation.

"It's an unusual situation and we should acknowledge that it was unusual," said Commission Chairwoman Andrea Jacobson, who voted with Wood and Commissioner John Dapceovich of Juneau to waive the fine.

---- INDEX REFERENCES ----

KEY WORDS: AP STATE WIRES: ALASKA

NEWS SUBJECT: English language content; Regulatory Bodies; Regulation/Government Policy; Corporate/Industrial News; Elections; Political/General News; General News; Domestic Politics (ENGL C131 C13 CCAT GVOTE GCAT GEN GPOL)

Westlaw.

factiva  
Dow Jones & Reuters

7/10/04 ANCHORGDN B1

Page 1

7/10/04 Anchorage Daily News (Alaska) B1  
2004 WL 78383980Anchorage Daily News  
(c) Copyright 2004. Anchorage Daily News. All Rights Reserved.

Saturday, July 10, 2004

Alaska

Role in anti-Knowles ad stuns borough manager; DUPED: Roy Eckert thought Outside group was making a film.

The Associated Press

KETCHIKAN - Ketchikan Gateway Borough manager Roy Eckert says he thought he was giving an interview for a documentary on job losses in Alaska but ended up in a commercial that criticizes U.S. Senate candidate Tony Knowles.

"(Borough Mayor Mike Salazar) and I met with them," Eckert said. "They interviewed us and asked what the effect of the closure of the mill was and the closure of the veneer plant and timber issues. So we were just very open about what it (cost) the community, the loss it's caused. It was a job issue, a timber issue, where we've gone, how we're trying to recover."

Eckert is one of several Alaskans in the television advertisement by a group called Americans for Job Security that criticizes Knowles for job losses and for young Alaskans leaving the state while he was governor.

Eckert is not identified as Ketchikan's borough manager in the ad, which includes footage of the former Ketchikan Pulp Co. and Ward Cove.

"You can't just drive to the next town to find work," Eckert said in the commercial. "You have to literally leave your home. There's nowhere else to go."

Eckert, who hadn't seen the ad as of Thursday, said he tries to take neutral stands in political campaigns.

"All the questions were innocuous ... what the population loss was and what the effect on the community was," he said.

Salazar, who was not featured in the commercial, said he also was interviewed.

"I didn't think it was an ad," he said. I thought it was an interview in response to the Greenpeace thing. ... The only political comment (from the interviewer) I can remember was something about 'Where was Tony Knowles and what did he ever do for the timber industry?' "

Copr. © 2004 West. No Claim to Orig. U.S. Govt. Works.



7/10/04 ANCHORGDN B1

Page 2

Salazar said he doesn't do political ads.

"If I wasn't the mayor, I might make my own comments. But I certainly wouldn't do it for the borough," he said.

Alexandria, Va.-based Americans for Job Security is classified as a trade association. The group ran commercials against Democrat Fran Ulmer during the 2002 governor's race and has produced ads for political races nationwide.

The group's president, Michael Dubke, said he wasn't with the camera crew that came to Alaska, but "we were pretty clear what we were doing."

Dubke said he left a message with Eckert last week offering to send a transcript and copy of the ad.

"I hope that wasn't the case, he said of Eckert's lack of knowledge about the ad. "I know that wasn't the impression I was left with anyone else. (The crew was) very forthright about what they were doing."

Dubke said the group will air other ads in Alaska this month on the timber and fishing industries. The group is not connected with Sen. Lisa Murkowski's campaign, Dubke said.

Murkowski spokesman Elliott Bundy said the campaign is not involved with the Americans for Job Security ad. Paul Axelson, a Murkowski coordinator and volunteer in Ketchikan, appears in the spot, but the campaign knew nothing about it, Bundy said.

---- INDEX REFERENCES ----

NEWS SUBJECT: (Advertising (C32); News Agency Material (NNAM); Marketing (C31); Corporate/Industrial News (CCAT); Content Types (NCAT); IWE Filter (NIWE))

INDUSTRY: (TV Advertising (I8382); Advertising (I838); Advertising/Public Relations (IADV))

Language: EN

OTHER INDEXING: WIRE

EDITION: FINAL

Word Count: 546

7/10/04 ANCHORGDN B1

END OF DOCUMENT

Copr. © 2004 West. No Claim to Orig. U.S. Govt. Works.

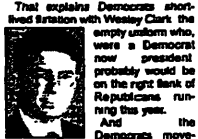
25044121678

Opinion

By George Will

# John Kerry marching on with a brisk military cadence

Now Hampshire condoned what Iowa informed Democrats who are serious about the candidates' electability understand that seriousness requires a retreat from the idealism of politics.



That explains Democrats' short-lived flirtation with Wesley Clark, the empty uniform who, were a Democrat now president, would be on the right bank of Republicans running this year. And the Democrats' movement away from feminism explains John Kerry's brisk forward march with a military cadence. **KERRY'S "PATRICIAN ALOOFNESS"** may be merely evidence, but he has embraced tortuous, confessional ethos by making autobiography serve as political philosophy, and reducing his narrative to a war story. Rising his jacket against his own phrasemakers and playing history in New Hampshire have expressed his campaign's subtlest earnestness. Feminized politics according to Comes Lord of the heaviest War College, justifies all politics with ref-

erence to their impact on children. In his book "The Modern Prince: What Leaders Need to Know Now," Lord says leadership is a problematic concept in today's democracies. Modern technology has produced prosperity which has produced a middle class growing in size competence (education), security (homeownership, 401(k)s, etc.) and self-confidence (assertion of rights). All this plus the egalitarian and hierarchical spirit of the age plus the rarity of great wars, threatens to make politics seem unimportant and leaders seem dispensable. Leadership, Lord says presupposes some element of such traditionalist manly qualities as competitiveness, aggression or, for that matter the ability to command. Because "leadership is not prepared to disadvantage anyone is hardly leadership at all." **KERRY TOLD NEW Hampshire** that he had seriously disadvantaged people. "I've been a proscenium. I've done a lot of things for the people. I've punctuated this manly indifference to syntax by noting that he is a gun owner who supported the 1996 welfare reform. It repeated the entitlement Aid to Families with Dependent Children.

Although Kerry has been almost incoherent about Iraq, he understands the special challenge for Democrats in the world that 9/11 made. Since Vietnam caused the collapse of Lyndon Johnson's presidency in 1968 and produced the nomination of George McGovern in 1972, Democratic presidential fortunes have waxed only as national security concerns waned. Since 1984, Democrats have elected just two presidents: Jimmy Carter in 1976, because of Watergate, and Bill Clinton, elected three years after the Berlin Wall fell when national security competence had receded as the threshold test of presidential plausibility. In NEW HAMPSHIRE, Howard Dean lowered the ideal level of his implausible assertions, but not their implausibility. He said the No Child Left Behind Act constitutes "a federal takeover of the school system." He said the Bush administration's use of pre-emptive war means "we're going to do it if we even think you're looking at us crosswise." By such effusions, Dean makes Kerry seem Solomonic. Dean's campaign is both a cause and an effect of the polarization of

the electorate, which continues apace. Eight presidential elections ago, in 1972, almost half of the 435 members of the House of Representatives — 44 percent — represented states that voted for the presidential candidate of the other party in 2000 that number was less than 20 percent. John Edwards' campaign derives strength from this fact. In the 44 years since a Northeasterner was elected president (John Kennedy of Massachusetts), only one Northeasterner has received a presidential nomination — Massachusetts Gov. Michael Dukakis, who was defeated by George W. Bush's father. Who was Dukakis' lieutenant governor? John Kerry. **EDWARDS, WHO CERTAINLY** has no concept of his autobiographical reticence is no slouch in the implausibility sweepstakes. His campaign's theme song is "Small Town" by John Mellencamp. "All my dreams are so small town..." On? More than any presidential campaign in memory, Edwards' crusade against "special interests" is beholden to an interest group — his fellow trial lawyers — whose lucrative rapacity depends on thwarting reforms from Washington.

He uses their millions to advertise his hardscrabble origins and oneness with the masses. His Urlish Heep candidacy should pay royalties to Charles Dickens. "The uninitiated persons, Master Copperfield may be the instruments of good. I have risen from my humble station since first you used to address me, it is true, but I am unable still." The pedigree of Edwards' campaign about his humble origins traces to the "log cabin and hard cider" theme of William Henry Harrison's 1840 campaign, which was successful. **AND PREPOSTEROUS** Harrison was born not in a cabin but in Berkeley, a three-story manor house on a Virginia plantation. He died after a month in office, from an illness brought on by delivering a one-hour, forty-minute address on a bitterly cold inauguration day. Perhaps — Edwards, be warned — Harrison died partly of embarrassment. (George Will is a columnist for the Washington Post Writers Group.)

By Dave McNeely

# Perry consultant involved in Senate election attack ads

At these things up: In the special election to replace Sen. Bill Radtke, R-Alb. Pleasant, who resigned Jan. 10, Gov. Rick Perry enlists former Tyler Mayor Kevin Effluence. Prior to the Jan. 20 special election to replace Radtke, Perry-based Americans for Job Security ran ads in northeast Texas attacking Radtke's opponent, state Rep. Tommy Merritt, R-Lovine, charging he's for "stupid bills and higher taxes." **MERRITT FINISHES** third, behind Effluence and former state Rep. Paul Sadler of Henderson, the only Democrat in the special election. **DAVID M. CARNEY** of New Hampshire, former political director for the first President Bush, runs Americans for Job Security — which was founded by the head of the American Insurance Association in 1987. Carney is also Gov. Perry's chief political consultant. His firm has received more than \$400,000 from Perry since July 2002. The governor's office says Perry didn't know about the attacks ads or Carney's involvement. (Carney offices in Texas with two other Perry

advisors, Ray Sullivan and Reggie Bashur, who are also lobbyists.) **THE RESULT** is another Texas controversy over the use of the party attack ads. These are the same tactics used by the Texas Association of Business and Texans for a Republican Majority the group sponsored by U.S. House Majority Leader Tom DeLay, R-Sugar Land to bash Democratic legislative candidates in the 2002 election. Those ads have been the subject of a year-long investigation of the office of Travis County District Attorney Ronnie Earle, the state's chief ethics enforcer. Campaigns for People a watchdog group over Texas political money officially complained to Earle Jan. 15 about the Americans for Job Security ads against Merritt. Earle said Wednesday his office hasn't yet decided whether to launch a formal investigation. The turning of corporate money to influence elections is a clear violation of Texas law said Fred L. Lewis, president of Campaigns for People. **"WE ARE FILING THIS** complaint in an attempt to stop the growing proliferation of illegal corporate

money in our state elections," Lewis said. Merritt, who had filed for re-election to his House seat as well as for the Senate special election, had been interviewed about the radio ads and said he is concentrating on his House race. Carney denied that the approximately \$50,000 his group spent in independent corporate money, funneled through Americans for Job Security into the radio ads and one mailer was designed to help Effluence win the election. "It had nothing to do with Kevin Effluence," Carney said from the Americans for Job Security office in Virginia. **"IT HAD TO DO WITH** Tommy Merritt's tax proposal. He was proposing to tax health care. "We're not electioneering," he added. "We're absolutely within the law. We're not advocating his election or defeat." The attack ads against Merritt ran in January after a Dec. 10 U.S. Supreme Court decision basically overturned a 1976 Supreme Court opinion used by the TAB to defend its ads. The earlier ruling said corpo-

rate money can be used if the ads don't use "magic words" such as "elect," "vote for" and "defeat." IN ITS DEC. 10 DECISION, the current Supreme Court held that the presence or absence of magic words cannot meaningfully distinguish electioneering speech from a true issue ad. Although the resulting advertisements do not urge the viewer to vote for or against a candidate in so many words, they are no less clearly intended to influence the election. Effluence's campaign, which reported spending just short of half a million dollars before the election, also got help from drug, energy and other companies in the form of \$100,000 funneled through the Associated Republicans of Texas — a political action committee that isn't affiliated with the state Republican Party. [Texans for Lawsuit Reform, an anti-litigation movement that says its money came from individuals, not corporations, also spent a considerable amount on ads bashing Sadler. Merritt, who didn't spend nearly as much on his behalf as was spent attacking him, got just 38 percent even in Gregg County, his home,

and 214 percent in the whole district. **RATLIFF DID NOT** endorse anyone in the first election. But for the Feb. 17 runoff, he has endorsed Effluence while praising Sadler as an "intelligent, principled and honorable man" and a good friend. "I believe my basic political ideology is closer to that of Kevin's than that of Paul's," Ratliff said. Ratliff said he was offended by the third-party ads against Merritt. He said he told Effluence his thoughts on such ads, and Effluence agreed that "at the very first sign of any personal or unfounded attacks in this race, he will join me in not only denouncing the attack, but denouncing those responsible. He understands that, should Paul Sadler be so attacked, I will stand and defend Paul as the honorable gentleman he is." **CARNEY SAID** his group will not spend any money attacking Sadler in the runoff. (Dave McNeely, columnist for the Austin American Statesman writes for Cox Newspapers.)

By Jim Wright

# A few choice words to the wise seeking election in '04

What a robust time for American democracy. The presidential big turnout and record-breaking results in Iowa's Democratic caucus bespeak renewed vigor. The always colorful State of the Union, formerly backdropped by President Bush's bold and daunting (sometimes daunting) bid for re-election, Democratic hopefuls locked verbal horns again Thursday in New Hampshire's televised caucus. The campaign's under way! **EVERY POLITICAL JUDGE** has some advice for someone, and every pundit has enough to say to fill a dozen columns. Here's my humble spoonful. To anyone tempted to bet on the outcome. Remember that it's a long, long way to November. To my old pal, Dick Gephardt: Thanks for that quarter-century you gave to America, and congratulations on a classy exit. To Howard Dean, thanks for bringing new recruits and ideas into the process. Try being a little less confrontational. The public loves a fighter, but nobody loves a provocateur of

unnecessary fights. Stay on message, and be positive. **TO JOHN KERRY** You're on a roll. Don't quarrel with Gen. Wesley Clark about rank and experience. That comes across as petty. Talk about the issues that matter. **TO WESLEY CLARK** Ditto the above. Your background of illustrious achievements and executive leadership speaks for itself. Just follow the four stars, especially when they see you're a regular guy. But referring to Kerry as a junior officer seems patronizing — needless. **TO JOHN EDWARDS** Wow! You deserve more credit than you get for your spectacular second in Iowa. Staying positive, insulting opponents with respect and talking real solutions — it all pays off. That's what people are hungry for. To those promoting future debates. For Pete's sake, give these knowledgeable men their 30-second sound bites to share important information with the public. A glib contest in sloganeering sells the public short. Offering personal advice to the

president would be presumptuous. Everyone wants to tell George W. Bush something. He listens to Karl Rove and Dick Cheney. **BUSH HAS IMPROVED** his speaking style. He's more relaxed and in the words of our European friends, Chén Juteng jauntily, he vowed to the world that he didn't need a permission slip to defend U.S. freedom. That isn't only decent, purpose was to beg unthinking applause. Then, in no particular order of preference, the re-election candidate bravely took on America's coaches and athletes, lecturing them to stop using steroids. **Huh?** **MAYBE ANY SUBJECT** is fair game for a campaign opener, but surely our busy president already has enough national responsibilities without taking on an additional role as TV marriage counselor. Like a stem father chiding an errant son, MORE TALKING! Here's a disapproving finger in the faces of the nation's judiciary warning that if they don't pop to on this marriage business, Congress could crank up the process of amending the

Constitution, you know that oughtn't roll back on their heels! Innocent campaign stuff, maybe. But do these topics rise to the level of State of the Union material? Our nation has real problems. They affect real people. **LIKE CONSUMER DEBT** and personal bankruptcies at all-time highs — twice what they were 10 years ago. Like health, education and housing costs — the big necessities — at all-time highs, and average family income falling behind. Like rising unemployment. Like people working longer hours to keep their standard of living from plummeting. Like private corporate pension plans — on which millions of Americans are counting — in default by \$450 billion. These are some things that America's president needs to notice, and to address. (Jim Wright, former Democratic Speaker of the U.S. House of Representatives, writes for the Fort Worth Star Telegram.)

up to age 18 years to submit entries to be considered for this year's logo. The deadline for this is February 4, 2004. We hope this message, through this letter, will boost an awareness of the program and will encourage as many children as possible to work and submit their entries as soon as possible. For additional information, please contact either Rodney Rodriguez or Melissa Armo-Haynes at (956) 722-5174. Signed, (e-mail) Melissa Armo-Haynes

## Your opinion

(Continued from Page 2D)  
She cautioned that any actions at the national level could have devastating consequences for border economies. "I'm glad Mayor Flores was able to explain the importance of these issues to our lawmakers," said Congressman Rodriguez. "Along with my border colleagues, I'm working to explain how the US-VISIT program, as currently designed is an economic disaster waiting to happen." "The free flow of commerce on our border with Mexico is essential to our economy and the future of South Texas. We are waiting for the

Department of Homeland Security to respond to our concerns and change the program in a way that meets our homeland defense needs without sacrificing trade." "We need greater investment in our border infrastructure so that we can fully take advantage of the economic opportunities presented," Rodriguez said. The US VISIT program will require foreign students, tourists and business travelers to use at least two biometric identifiers, such as fingerprints and scans and digital photographs, when entering and exiting the U.S. The delays from this system could

be great and combined with an arbitrary and unreasonable 72-hour limit for identical least visa holders could choke trade and commerce on the border. Recently deployed at air and sea ports, the US VISIT program will be implemented at the 50 largest land ports by December 31, 2004 and at all ports by December 31, 2005. These are awful days. The mayor definitely must realize that we live surrounded by immigrants. Some people like the mayor included, can better adapt an alien's environment and not a middle or lower class. Signed,

(e-mail) Mario Zaragoza, president, Ayuda Legal Para la Gente TMC posts Die De Los Niños **TMC posts Die De Los Niños** To the editor: This is information for the community regarding the Texas Migration Council Inc. 8th annual Die De Los Niños Celebration to be held at the Laredo Entertainment Center on April 30, 2004. This year TMC is also sponsoring a logo contest, and asking children

up to age 18 years to submit entries to be considered for this year's logo. The deadline for this is February 4, 2004. We hope this message, through this letter, will boost an awareness of the program and will encourage as many children as possible to work and submit their entries as soon as possible. For additional information, please contact either Rodney Rodriguez or Melissa Armo-Haynes at (956) 722-5174. Signed, (e-mail) Melissa Armo-Haynes

25044121679

Source [My Sources](#) > [New Hampshire](#) > [General News & Information](#) > [The Union Leader](#) ☐

Terms: "david carney" & "christopher lyon" and date geq (09/13/1999) ([Edit Search](#))

☒ Select for FOCUS™ or Delivery



*The Union Leader (Manchester NH) July 25, 2001 Wednesday*

Copyright 2001 Union Leader Corp.  
The Union Leader (Manchester NH)

July 25, 2001 Wednesday ALL EDITIONS

**SECTION:** SECTION A Pg. 1

**LENGTH:** 1400 words

**HEADLINE:** Howard campaign aide told probers attack postcard was 'contribution'. Howard has gotten no indication judgeship in peril from mailing

**BYLINE:** JOHN DISTASO Senior Political Reporter

**BODY:**

CONCORD -- A New York-based campaign consultant told investigators he believed he was making a legal "independent expenditure" when he drew up postcards attacking former candidate for governor Gordon Humphrey and his wife.

**Christopher Lyon** had been paid by Jeffrey Howard's campaign early in the primary season, but then left when campaign officials could no longer afford to pay him, only to briefly join it later for a \$ 3,000 fee at the time he spent what he told investigators was his own money to finance the mailings.

In a more than 300-page investigative file released yesterday by the Attorney General's Office, Lyon tells investigator Paul Brodeur that he also had a conversation with former Humphrey campaign aide **David Carney** -- a well-known national political operative -- to develop negative telephone calls against Gov. Jeanne Shaheen and 2000 Democratic congressional candidate Barney Brannen.

Lyon told investigators that Howard, a former attorney general who is now in line for a federal appeals court judgeship, had no knowledge of the negative activity.

Last week, Attorney General Philip McLaughlin told Lyon and fellow former Howard campaign worker Jeff Martin that they had broken a state election law by engaging in campaign activity as a political committee without registering or reporting contributions and expenditures.

The attorney general said the two were responsible for the development and mailing of tens of thousands of postcards that blasted Humphrey as anti-poor, anti-education and anti-woman. . . , and said his wife, Patricia, "was an active member of a cult (The School of Orgonomy) that advocates adults and children have orgasms as a means to reaching inner peace."

Lyon told the investigators that he took some of the anti-Humphrey information for the unattributed post cards from Shaheen's web site in a "somewhat calculated" effort to have her campaign blamed. And he noted the material about Humphrey's wife came from the 1984 U.S. Senate campaign in which challenger Norman D'Amours' campaign raised Mrs. Humphrey's membership in the orgonomy group.

Writing about an interview with Lyon last March, three Attorney General's Office investigators wrote, "Lyon also stated that in his view Mrs. Humphrey was 'fair game' as he believed it was her money that Humphrey was using to fund his campaign."

25044121680

According to the file, Lyon told investigators that in the late summer of 2000 he "took it upon himself to do the 'independent expenditure' to help Howard."

Lyon said he spoke with state Rep. Richard "Stretch" Kennedy, R-Contoocook, about setting up a political committee, according to the report. He told investigators he also spoke with veteran Republican activist and lobbyist Bruce Berke, who, Lyon said, set up a meeting "to discuss the particulars."

At the meeting in Berke's office about a week before Labor Day, 2000 -- and about two weeks before the party primaries -- Berke had Carney on the telephone speaker, Lyon told investigators.

"Carney mentioned that he could get \$ 10,000 from the Republican Conservative Governors Association to do phone calls for Democratic gubernatorial challenger Mark Fernald and Democratic congressional challenger Norman Jackman.

"Carney indicated (to Lyon) the message would be to vote for Fernald and Jackman, and (would be) anti-Shaheen and Brannen."

Lyon told the investigators that since he knew Carney was Humphrey's chief campaign aide, he did not mention his plan to begin soon with anti-Humphrey postcards and telephone calls. Carney later blamed Shaheen for the anti-Humphrey mailings and then, last week, apologized to the governor.

Kennedy told an investigator he was not aware of the Humphrey or Brannen postcards, but he did recall meeting Lyon, who had asked for help "with Jackman to run against Brannen." But Kennedy and Berke said they never heard from Lyon again.

"Lyon advises that he spent his own money because he wanted Howard to win," the file states. It says, "He felt that (Brannen's foe, incumbent U.S. Rep. Charlie Bass) would win and Howard would win. He figured this would put him in good standing in New Hampshire.

"Lyon confirms that he was working on the Howard campaigns outside of New Hampshire when he did the 'independent mailings.' "

According to the report, "Lyon stated that no one in the Howard campaign nor anyone else knew about Lyon's activities relating to the anti-Humphrey and anti-Brannen mailings and phone calls."

He also told the investigators that he became a consultant for the campaign in the spring of 2000. After several weeks, he was told the campaign was having trouble raising money and could no longer afford him. Howard eventually finished third in the primary behind Humphrey and former state Sen. James Squires.

Lyon then returned in the final week of the campaign. Howard said yesterday he had no knowledge of Lyon's return until after he had been back on the payroll for a week.

According to the file, Lyon was graduated from Boston College in 1986 and, when he came to New Hampshire, he met James Martin while the two worked for Republican Bill Hatch's successful primary campaign and unsuccessful general election campaign against former U.S. Rep. Dick Swett, D-N.H. Lyon last year volunteered for John McCain's New Hampshire Presidential Primary campaign, in which he met Howard campaign manager Dean Ouelette, who eventually hired him as a consultant for the Howard campaign.

Lyon had been accused of campaign "dirty tricks" before. The attorney general's file contains copies of a New York Post story from April 1999, in which Lyon is identified by "several influential Republicans" as the author of a letter warning that New York Mayor Rudolph Giuliani and a former Giuliani campaign were plotting "to take over the New York GOP" by running for the U.S. Senate.

Lyon denied it.

Last year, the Post revealed that Lyon was being paid the previous year by former U.S. Rep. Rick Lazio, the eventual Senate nominee, even as Lazio's campaign denied it.

----

Howard has gotten no indication judgeship in peril from mailing

By JOHN DiSTASO Senior Political Reporter

CONCORD -- Former GOP candidate for governor Jeffrey Howard said yesterday he has received no indication that his pending federal judgeship is in jeopardy as a result of his former campaign consultant's involvement in improper campaign activities last September.

The consultant, **Christopher Lyon**, and Attorney General Philip McLaughlin, have said Howard did not know Lyon had made and mailed thousands of attack postcards against primary rival Gordon Humphrey.

Lyon told investigators no one from the Howard campaign knew of the anonymous mailings.

After losing his primary effort, Howard, a former state attorney general under Gov. Steve Merrill, became legal counsel for George W. Bush's New Hampshire campaign.

After the election was decided, Howard was rumored to be in line for several legal posts, but last spring The Union Leader reported that Howard was in fact in line for a jump up to the U.S. Court of Appeals for the 1st Circuit.

The Union Leader had been told that the U.S. Justice Department was performing routine background checks on Howard as well as others in line for federal posts.

Howard would not say yesterday if the Justice Department or FBI had spoken to him or the New Hampshire Department of Justice about the matter.

"However, I can assure you that the FBI has been very, very thorough," he said.

Howard, during the attorney general's probe, was forced to prove that he did not have previous knowledge of the Lyon mailings.

In the attorney general's file, attorney Stanley Tefft reports that his wife had seen anti-tax activist Roy Stewart show Howard a mailing at the Bedford town hall a few days before "we received the identical mailing."

But interviewed by the attorney general's office, both said Mrs. Tefft had seen them discussing a pro-Howard mailing to be sent by the taxpayer group Stewart heads. Both produced copies of the mailing.

Howard told The Union Leader he saw the mailing the day before last year's Sept. 12 primary but did not know it came from anyone associated with his campaign until the attorney general's office talked to him about it many weeks later.

**LOAD-DATE:** July 27, 2001

Source: [My Sources](#) > [New Hampshire](#) > [General News & Information](#) > [\\$ The Union Leader](#) 

Terms: "david carney" & "christopher lyon" and date geq (09/13/1999) ([Edit Search](#))

View: Full

Date/Time: Monday, September 13, 2004 - 10:58 AM EDT

## The Clients

The Client

The Client

The Client

The Client

The Client

The Client

### Referenda, Issue Advocacy & Corporate Image Enhancement

America's Promise - The Alliance for Youth  
American Medical Association  
Americans for A Balanced Budget  
Americans for Job Security  
Champion International  
Citizens for Reform  
Citizens for The Republic Education Fund  
Citizens for Workers' Compensation Reform  
Coalition for New Jersey's Uninsured

More

Clients | U.S. Senate | U.S. House | Governors

# THE Texas Observer

Sharp reporting and commentary  
from the strangest state in the Union.

[Home](#) [Current Issue](#) [Subscribe](#) [Search](#) [Archives](#) [How you can help](#) [About Us](#) [Contact Us](#) [Site Map](#)

Editorial: 7/6/2001

## Governor HMO

Not since Kevin Costner made *Waterworld* has a performance been so universally panned as Governor Perry's effort in the last legislative session. Indecisive and absent for much of the session, Perry was boldly ill-advised when he finally did act. The governor's record 82 vetoes—including bills to ban the execution of the mentally retarded, improve access to Medicaid, promote living wages on the border, and force HMOs to pay their bills promptly--have provoked a chorus of outrage from a broad spectrum of interests, ranging from the Texas Medical Association to Valley Interfaith. Most of the state's dailies have echoed the *Dallas Morning News* editorial headline: "Perry's Mistake."

Virtually all of the vetoes came as a complete surprise to the bills' advocates, none more so than Perry's veto of HB 1862, which would have closed loopholes which the insurance industry has long abused in order to withhold payment from doctors and hospitals.

Just two weeks before his veto, Perry had addressed the Texas Medical Association, the powerful doctors' organization, where he said it was time to hold HMOs accountable. The TMA responded with an early endorsement for Perry's gubernatorial campaign. Imagine the doctors' surprise when Perry vetoed the centerpiece of their legislative agenda on June 17. The group is meeting to reconsider its endorsement, and a prominent member has rescinded his acceptance of a gubernatorial appointment to the board of the Texas Department of Health.

But maybe this particular veto shouldn't have been so surprising. To say that insurance interests have good access to the governor's office is an understatement. His legislative director, Patricia Shipton, is a former HMO lobbyist, whose past clients include the Health Insurance Association of America and the National Association of Independent Insurers. Shipton also represented the Texas Civil Justice League, one of the state's two tort reform outfits. Equally close to Perry, and by some accounts even more influential, are two other insurance industry mouthpieces, Mike Toomey and David Carney. Toomey is a former House colleague and personal friend of Perry. He is a lobbyist for Texans for Lawsuit Reform, the group that has collected and dispensed lavish amounts of campaign cash in pursuit of its efforts to cut off citizen access to the courts. House Bill 1862 would have prevented health insurers from imposing mandatory arbitration on clients and doctors, a tactic used to forestall lawsuits. Mandatory binding arbitration has long been high on the insurance industry's wish list.

David Carney, the former political director of the first Bush White House, now heads Americans for Job Security. Robert Vagley, president of the Washington-based American Insurance Association, formed the group in 1998, to counter the influence of increased labor spending in



email this to  
a friend or colleague



Order back issues

TexasObserver.org  
**SEARCH**  
(full site text search)

90

25044121684

Congressional elections. The group specializes in issue ads, spending \$10-12 million in 2000 to take issues like "regulatory reform" straight to the public. Benjamin Ginsberg, an attorney with George W. Bush's presidential campaign, is also affiliated with the group. Also killed in the so-called "Father's Day Massacre" veto bash was another insurance reform, HB 2430, which would have funded an ombudsman position to help Texans navigate the complex health care system and protect their rights. Bill sponsor Elliott Naishtat summed up the fate of the bill, which had broad bi-partisan support, in one line: "The insurance industry didn't like it." --NB

[Print-friendly version](#) || [E-mail this article](#) || [Write the editors](#)  
[Order back issues](#) || [Issue Table of Contents](#)

[Back to Top](#)

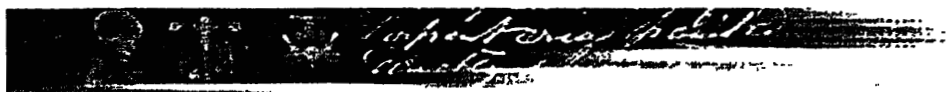
[Home](#) - [Current Issue](#) - [Subscribe](#) - [Search](#) - [Archives](#)  
[How you can help](#) - [About Us](#) - [Contact Us](#) - [Site Map](#)

Copyright © 2001 Texas Democracy Foundation. All rights reserved.

Web site planning and  
development by **nonprofit  
works**

25044121685





# Practice Management



[Home](#)  
[Legislative Issues](#)  
[Knowledge Center](#)  
[CME](#)  
[Practice Management](#)

[Consulting Services](#)

[Practice Resources](#)

[Payment Advocacy](#)

[Legal](#)

[Health & Science](#)

[About TMA](#)

[News Room](#)

[TMA Classifieds](#)

[Links](#)

search TMA site

Go



## Texans Vote "Yes on 12"

The people of Texas on Sept. 13, 2003, approved Proposition 12, granting the Texas Legislature the authority to cap noneconomic damages in health care liability cases and ensuring doctors and hospitals will be there when they are sick or injured.

Texas Medical Association President Charles W. Bailey, Jr., MD, issued this [statement](#) (audio cut) on the results of the election:

### Proposition 12:

"The constitutional amendment concerning civil lawsuits against doctors and health care providers, and other actions, authorizing the legislature to determine limitations on non-economic damages."

"The real winners of this election are the people of Texas who can be more certain that doctor will be there for them when they're sick or injured.

"The physicians of Texas and our patients owe a debt of gratitude to the Republican and Democratic legislators who recognized the serious threat to health care in Texas, and passed the legislation enabling today's vote. We also thank Governor and Mrs. Perry for their tireless campaigning on the issue.

"I can't end the thanks without pointing out how hard our doctors, their spouses, and others in the medical community worked to keep the debate focused on the true issue -- access to care."

Gov. Rick Perry, who campaigned heavily for passage of Proposition 12, called it "a very good night" for the people of Texas.

"Tonight Texans voted to protect doctors and nurses, to improve our civil justice system, and to preserve access to quality health care by passing Proposition 12," Perry said. "This is a much-needed victory for doctors, nurses and other health care providers whose services have been jeopardized by frivolous lawsuits and skyrocketing medical liability rates.

"But most importantly," Perry said, "this is a victory for the people of Texas. We are all patients of the health care system. We all depend on qualified physicians and nurses. And today Texans have taken an important step toward protecting both the practice of medicine and Texans' access to quality health care."

Said American Medical Association President Donald J. Palmisano, MD:  
 "Today's victory was desperately needed to help curb lawsuit abuse in Texas.

Opponents of reform tried to confuse the issues, but Texas patients were not fooled by empty rhetoric and junk science.

"The Texas Medical Association and physician members worked tirelessly to present the facts because they did not want to see health care in the Lone Star state deteriorate any further."

**Audio Message from TMA President, Charles W. Bailey Jr., MD, on Proposition 12 Reform**

**Donate Online**

**Answers to the Hard Questions on Proposition 12**

**Combat Misinformation to the Elderly About Proposition 12**

**Send this Letter to Every Texan You Know**

**Texas is Supporting Yes on 12!**

**More Resources**

---

**Tort Reform Bill Only Half the Battle**

The Texas Legislature recently approved what some are calling "the most comprehensive tort reform legislation that any state has ever passed," and Gov. Rick Perry already has signed House Bill 4 into law. The centerpiece of that bill is a \$250,000 cap on noneconomic damages for all physicians in a case, the single most effective known cure for health care lawsuit abuse.

But physicians won't see immediate relief from skyrocketing professional liability insurance premiums until the cap and other tort reforms pass constitutional muster. As California and other states have seen, it can take years for a case to wind its way through the judicial system before the state Supreme Court finally gives its blessing to the new law. In Texas, we've taken a different approach. On Saturday, Sept. 13, Texas voters will be asked to approve an amendment to the state constitution that specifically grants the legislature authority to set caps on noneconomic damages in health care cases. This amendment is one of 22 that will be on the ballot that day. It is resolution number 12.

The "Yes on 12" campaign is off to a rousing start. Gov. Rick Perry, Lt. Gov. David Dewhurst, and Speaker Tom Craddick all worked hard to bring Resolution 12 to the voters. Most leading Texas health care and business organizations are raising funds for the effort and rallying their members behind it. The Texas Medical Association and the state's county medical societies and specialty societies are all playing a key role.

The personal injury trial lawyers and various organizations that front for them already have begun their fundraising, advertising, and (mis)information campaigns. It's estimated they will spend as much as \$15 million before it's all

over. "We will be outspent, don't worry about it," says political consultant Dave Carney, who is leading the "Yes on 12" campaign. "We just can't be outworked."

The "Yes" forces won't be outworked if physicians replicate the enormously successful grassroots campaigns of recent years that have elected conservative judges to the Supreme Court of Texas and other courts. Get-out-the-vote efforts will be crucial. The "little red cards" that TEXPAC made famous in the "Clean Slate for '88" campaign once again will be the key to success. TMA will provide physicians with slate cards to share with patients, staff, family, and friends; with office posters; and with bumper stickers urging "Yes on 12"

The last day to register to vote in the election is Aug. 14. Early voting runs from Aug. 27 through Sept. 9, and should account for about 30 percent of the 1.6 million to 2 million votes expected to be cast.

- 
- "Texas Needs Cap on Suits," Sen. Bill Ratliff, *Dallas Morning News*, July 14, 2003.
  - Weekly Alerts
  - Sample Patient Letter
  - Sample Telephone Hold Messages
  - 12 Fast Facts About Proposition 12
  - [www.yeson12.org](http://www.yeson12.org)

October 8, 2003

TMA: 401 West 15th Street, Austin TX 78701 Ph:800/880-1300, 512/370-1300

TMA Web [privacy statement](#) & [TMA Contacts](#)

Copyright 1999-2001 Texas Medical Association All Rights Reserved

This is the html version of the file <http://www.lmtonline.com/news/archive/090703/pagea1.pdf>.

Google automatically generates html versions of documents as we crawl the web.

To link to or bookmark this page, use the following url: [http://www.google.com/search?](http://www.google.com/search?q=cache:X1mBIstTXOAJ:www.lmtonline.com/news/archive/090703/pagea1.pdf+%22leininger%22+%22bob+perry%22&hl=en)

[q=cache:X1mBIstTXOAJ:www.lmtonline.com/news/archive/090703/pagea1.pdf+%22leininger%22+%22bob+perry%22&hl=en](http://www.google.com/search?q=cache:X1mBIstTXOAJ:www.lmtonline.com/news/archive/090703/pagea1.pdf+%22leininger%22+%22bob+perry%22&hl=en)

*Google is not affiliated with the authors of this page nor responsible for its content.*

These search terms have been highlighted: leininger bob perry

Milestone mark  
Former President Bush  
initials aircraft carrier  
that will bear his name

Power struggle  
Prime Minister Abbas  
submits resignation  
to Palestinian council

National, 8A

International, 14A

# Laredo Morn

We're your hometown newspaper an

SUNDAY, SEPTEMBER 7, 2003

## Audit report in on LISD

## Audit on LISD g

report in missed

BY TR  
Times

25044121689

# report in missed

The L

## \$13 million raised in Prop. 12 fight

PONYTAIL DO

## \$13 million raised in Prop. 12 fight

AUSTIN (AP) — Groups on both sides of the battle over a proposed constitutional amendment that would allow capping some damages on medical malpractice claims have raised more than \$13 million.

Large corporations and lawyers are weighing in for what some say are plans to limit liability in other types of cases.

The primary group supporting Proposition 12, one of 22 proposals before Texas voters on a Sept. 13 ballot, had raised nearly \$5.8 million through Wednesday from a wide range of business and medical interests, according to financial disclosure reports filed Friday.

The group, Yes on 12, has benefited from non-medical businesses, receiving large contributions from Wal-Mart, SBC Communications Inc., Time Warner Cable, Texas Instruments Inc. and TXU Corp.

"It reflects the broad scope of support among individuals, groups and organizations across the state," Yes on 12 spokesman Reggie Bashur told the Austin American-Statesman in Saturday's editions.

Contributions of \$3.8 million were also received in the past three weeks from ExxonMobil, Pilgrim's Pride, the H-E-B grocery chain, homebuilder Bob Perry, San Antonio businessman James Leininger and the U.S. Chamber of Commerce.

The primary group opposing the proposed constitutional change to allow the Legislature to set limits on non-economic damages, has raised about \$7.1 million, including about \$2.8 million in the past three weeks. Save Texas Courts has been raising

Hair stylist Veronica Farias displays a ponytail donated by Davi  
Saturday's Locks Of Luv hair drive at New Visible Changes sal

## Hair cuts for a go

most of its money from personal injury lawyers.

The high-stakes battle over the amendment, which would give the Legislature wider powers to limit the amount of money injured Texans can win in lawsuits, is shown by the corporate contributions, said Tom "Smitty" Smith of Public Citizen, which

## Hair cuts for a good

ca

BY M.  
Times

Frequ

# Nuevo Laredo records another mu

BY VICENTE RANGEL  
Special to the Times

Mexican authorities are trying to find the person or persons responsible for the murder of a 35-year-old man that was shot and killed in Nuevo Laredo Saturday morning

The victim sustained two bullet wounds from a 380-caliber handgun.

Police located the victim at an intersection of Colonia Hidalgo.

Investigators identified the victim as Adolfo Martinez Vazquez, 35, with a residence at the 1000 block of Articulo 123 Street.

Police said the shooting occurred at about 5:50 a.m. at the intersection of Articulo 123 and Mina.

The victim was wearing a brown long

sleeve shirt, blue jeans, boots and was heavy set. The victim had two bullet wounds in his chest area.

Investigators gathered several pieces of evidence from the shooting scene including seven 380-caliber casings, said State Judge Ricardo Mancillas.

When the emergency call on the shooting came in, Municipal Police Unit 215 was in the area, and was the first to arrive on the scene.

One of the officers in that unit, Municipal Police Officer Teodulo Avila, reported that no one was in the area where the victim was found, and as they were beginning the investigation they heard several gun shots about a block away.

Avila said they rushed to the area and again searched the area for any suspects, but did not locate anyone in the vicinity.

The officers said they der scene to secure the Police Commander A said the Martinez murd would be turned over to sion, so they could con find those responsible i the motive behind it.

Authorities said the r recorded in the city hav well over 50.

Mancillas said they a investigation and are w establish a safe city

Investigators said the ing the investigation of homicide victims, but s leads to go on.

According to the inva are just not talking."

### DO YOU KNOW

CHARMAINE HEIMES?  
A physical education teacher, she enjoys reading and grooving to soul music.

# TODAY'S TIMES

DEATHS

SPORTS

WEATHER

16A

B

A

LI

F

O



All Your COMICS in ONE e-mail!

Sign up  
Now!

Search

News-Journal.com for  **SEARCH**

## Menu

## News

[Obituaries](#)[Opinion](#)[Politics](#)[Police](#)[Photos](#)

## Sports

[High Schools](#)[College](#)[Professional](#)

## Money

sponsored by East  
Texas Professional  
Credit Union[Stocks](#)[Lottery](#)

## Living

[Entertainment](#)[Games](#)[Travel](#)[Datebook](#)

## Health

[Archives](#)

## Weather

[National](#)

## Classifieds

[Employment](#)[Real Estate](#)[Automotive](#)[Merchandise](#)

## Shop&amp;Save

[Advertisers](#)

## How To

[Subscribe](#)[Buy a print ad](#)[Buy an online ad](#)[Staff directory](#)

## News

## 1-13, Local: Radio ads target Merritt

By GLENN EVANS

Stealth ads from an association in Washington, D.C., attacking Texas Senate candidate Tommy Merritt hit Northeast Texas airwaves Monday, giving Merritt an unwanted case of nostalgia.

"That's what you get when you have outside interests trying to influence an election in Northeast Texas," Merritt said Monday evening, after local radio stations began airing ads by Americans for Job Security, a Virginia-based association founded by the president of the American Insurance Association and run by Gov. Rick Perry consultant Dave Carney.

Merritt is one of six men running in the Jan. 20 special election to replace retiring Sen. Bill Ratliff, R-Mount Pleasant, in the 151/2-county Senate District 1. Fellow Longview Republicans Jerry Yost and Bill Godsey, Republican Kevin Eltife of Tyler, Democrat Paul Sadler of Henderson and Constitution Party candidate Daryl Ware of Marshall fill out the ballot.

Sadler, the lone Democrat in the race, already had been targeted by the Texans for Lawsuit Abuse in so-called advocacy advertising criticizing the trial lawyer for filing asbestos-related lawsuits. Those ads continue on local radio, television and direct mail.

Under campaign finance law, trade associations like Americans for Job Security don't have to disclose the sources of their corporate money. A similar organization, the Texas Association of Business, is under grand jury investigation in Austin over its use of corporate money in 2002 ads that TAB credited for helping elect the first Republican majority in the Texas legislature in 130 years.

The issue ads that started Tuesday follow a similar pattern: criticizing a candidate without expressly supporting any other candidate. Two versions portray Merritt as lacking a leadership role after four terms as a state representative. Indeed, Merritt's clout dropped as his party took over both legislative chambers, falling a year ago from chairman of the House Energy Resource Committee when Republican House Speaker Tom Craddick replaced Democrat Pete Laney as House speaker.

The 2002 election cycle was marked by mean-spirited attacks on Merritt and Ratliff, and other so-called moderate candidates, by the Free Enterprise Political Action Committee, FREEPAC, which has since reformed under the name, Heritage Alliance PAC.

Merritt has answered questions about his clout in Austin by pointing to Republican county judges, mayors and other elected officials in Senate District 1 who are

Tommy  
& N. Thomas  
& Associates

click here

Ask a Pro  
Click Here.

[Reach web staff](#)[Write to the editor](#)[Set my homepage](#)

endorsing him. He also said the attacks, from FREEPAC and now Americans for Job Security, indicate his independence from party control.

"They (the ads) are definitely not accurate," Merritt said. "They are very deceitful, hateful and inaccurate."

He also said it is clear who the ads benefit.

"How does someone — Kevin Eltife, who is the recipient of these attack ads — become an independent voice for Northeast Texas?" he asked. "It's just not going to happen. When you take this kind of outside influence, you dry up the independence of the district."

Merritt said connecting the dots among the state's Republican leadership, whom he and Ratliff both bucked by voting against congressional redistricting, leads to the state's GOP leadership.

Carney, the Perry consultant and Chief Executive Officer of Americans for Job Security, was active in Texas last fall leading the Yes On 12 Campaign for the constitutional amendment capping noneconomic damages in lawsuits against the medical community. Eltife's campaign manager, Chuck Anderson, is on loan to the candidate from the staff of Republican Lt. Gov. David Dewhurst, who joined Perry and Craddick in pushing through redistricting plans that Merritt and Ratliff opposed as harmful to rural Texas.

Carney also is partners in a firm with former Perry press secretary Ray Sullivan and Reggie Bashur, a longtime GOP lobbyist, according to Capitol Inside, an online Austin news outlet run by Democratic strategist Mike Hailey.

"The people in Northeast Texas don't want people from Washington, D.C., telling them who their next senator is going to be," Merritt said. "Isn't it kind of ironic that this attack is being run out of Washington, D.C., by the governor's top consultant?"

Perry's re-election campaign referred questions to his office in the capitol, which was closed Monday evening and did not return specific messages.

Eltife's spokesman, Anderson, said the campaign learned of the ads Monday morning from a supporter in Longview.

"A representative of the campaign contacted the governor's office today," Anderson said, adding Perry's office was called because of the the connection between the governor and Carney. "We have contacted anybody who's been linked to this, even indirectly, and asked that the ad be taken down. That included the governor's office. The only link there is Dave Carney."

Anderson asked whether Merritt, who with Eltife is endorsed by Texans for Lawsuit Reform, did not ask TLR to pull its anti-Sadler ads. Merritt's reply indicated Sadler is fair game as a Democrat.

"We're going to practice the 11th commandment as Republicans — Thou shalt not bash other Republicans," Merritt said. "And that's what I'm following."

[Send a letter to the editor](#) | [Subscribe now](#)

☒ [Email this page to a friend](#)

© 2004 Cox Newspapers, Inc. - The Longview News-Journal



[Search](#) [Archives](#) [Contact Us](#) [Table Talk](#) [Ad Info](#) [Investors](#)


salon.com

# POLITICS2000

FROM THE WIRES

FIND ARTICLES

- ☒ Only Politics2000  
☐ All of Salon.com

Search

[Advanced Search](#) | [Help](#)

FROM THE WIRES

## Bush adds upper level staff

May 18, 2000 | WASHINGTON -- George W. Bush's presidential campaign, getting ready for the general election battle, is expanding its senior staff -- including the hiring of a new deputy to chief strategist Karl Rove who started work Wednesday.

Chris Hennick, most recently a lobbyist with former Republican National Committee chairman Haley Barbour's firm and a former political operative for both the RNC and the Republican Governors Association, joined the campaign as Rove's deputy.

Bush has bolstered his staff with several new senior aides in recent weeks.

Tony Feather, a Missouri political telemarketing consultant, recently joined the campaign as political director. John Bridgeland, a former aide to Rep. Rob Portman of Ohio, is the new deputy policy director. A former aide to President Bush, Joe Hagin, is deputy campaign manager for operations and scheduling, working directly under campaign manager Joe Allbaugh.

Two new spokesmen also have come on board.

Tucker Eskew, communications director when Carroll Campbell was governor of South Carolina, will be senior communications adviser and regional press director. Ray Sullivan, a new deputy press secretary, has campaign experience in California, Ohio, and worked in Bush's gubernatorial office in Austin. Most recently, Sullivan was communications director for the Texas lieutenant governor.

Get the latest headlines now

Print story

E-mail story

[Arts & Entertainment](#)  
[Books](#)  
[Comics](#)  
[Health & Body](#)  
[Media](#)  
[Mothers Who Think](#)  
[News](#)  
[People](#)  
[Politics2000](#)  
[Technology](#)  
[Travel & Food](#)  
[Columnists](#)

### CURRENT STORIES

"Scam" ads the norm  
 NYU study shows how campaign ad loopholes are exploited ruthlessly.  
 By Jake Tapper [05/18/00]

Trail Mix: Hillary haters spam cyberspace  
 Court calls for first lady's phone records. Giuliani to give a final answer, but either way he keeps the cash. Keyes continues crusading on the sidelines.  
 By Alicia Montgomery [05/18/00]

Gunning for the center  
 George W. Bush is trying to modify and moderate his perceived positions on guns.

Politician expects Giuliani to run (AP)

Nancy Reagan endorses Bush (AP)

Gore backs domestic violence bill (AP)

Gore knocks Bush on Social Security (AP)

Bush daughters going to Yale, UT (AP)

Gores celebrate wedding anniversary (AP)

Democrats prepare ad campaign (AP)

Bush adds upper level staff (AP)

Keyes continues run for president (AP)

By Jake Tapper [05/17/00]

Democrats make  
Hillary legit

New York's party  
convention officially  
nominates the first  
lady for the U.S.  
Senate while a  
certain mayor goes  
unmentioned.

By Jesse Drucker  
[05/17/00]The blundering  
pundit

Dick Morris'  
predictions about the  
New York Senate  
race have all been off  
the mark.

By Eric Boehlert  
[05/16/00]Don Giuliani

A masterwork given  
new meaning.

By Jake Tapper [05/16/00]

Campaign video:

George W. Bush  
talks about why John  
McCain's  
endorsement is  
important to him.

Matthew Dowd, who worked for Maverick Media,  
which produced Bush's early campaign ads, also has  
joined the operation as director of polling and media  
planning.

salon.com | May 18, 2000

© 2004 The Associated Press. All rights reserved. The  
information contained in the AP News report may not  
be published, broadcast, rewritten or redistributed  
without the prior written authority of The Associated  
Press.

Sound offSend us a Letter to the EditorGet a printer-friendly versionE-mail a friend about this articleBackflip this article to find it againSearch SalonSearchAdvanced Search | HelpTHE  
W@LL

"No  
matter where I  
go, I'm still here."

-- Alan Turner,  
Landscape architect  
and WELL member  
for 11 years

THE  
W@LL

{click}

[Salon](#) | [Search](#) | [Archives](#) | [Contact Us](#) | [Table Talk](#) | [Ad Info](#)

[Arts & Entertainment](#) | [Books](#) | [Comics](#) | [Life](#) | [News](#) | [People](#)  
[Politics](#) | [Sex](#) | [Tech & Business](#) | [Audio](#)  
[The Free Software Project](#) | [The Movie Page](#)  
[Letters](#) | [Columnists](#) | [Salon Plus](#)

Copyright © 2000 Salon.com All rights reserved.

Source: [News & Business](#) > [News](#) > [By Individual Publication](#) > [N](#) > [\\$ The New York Times](#) Terms: "reggie bashur" & "karl rove" ([Edit Search](#)) Select for FOCUS™ or Delivery*The New York Times October 20, 2002 Sunday Correction Appended*Copyright 2002 The New York Times Company  
The New York TimesOctober 20, 2002 Sunday  
Correction Appended  
Late Edition - Final**SECTION:** Section 6; Column 1; Magazine Desk; Pg. 56**LENGTH:** 4838 words**HEADLINE:** Rove's Way**BYLINE:** By Matt Bai; Matt Bai is a contributing writer for the magazine. His last article was a report on the debate over the Democratic Party's rural strategy.**BODY:**

White House tours don't pass through **Karl Rove's** office, but most everything else around the presidency does. Rove determines which lobbyists and supporters get access to the White House, and he weighs in with Bush on every major domestic-policy decision, from stem cells to farm subsidies. At the same time, he has de facto control of the Republican Party and has made it his crusade to win back the Senate; at least two Senate candidates are running this fall just because Rove decided they should, and several others ran unopposed for their party's nomination -- or might as well have -- because Rove bullied potential competitors out of the race.

Rove is hardly the first person to mix politics with policy in the White House, but no adviser before him has denied so stridently that there is any connection between the two. When I asked White House aides about the conflict inherent in being both the party's lead strategist and an influential policy adviser to the president, they seemed genuinely offended, as if I'd just asked whether Rove might be secretly borrowing Apache helicopters on the weekend to strafe Democratic districts. "Karl would never make recommendations to the president for political reasons if it did not make sound policy sense," Dan Bartlett, the White House communications director, assured me. "That's a threshold he would never compromise."

This isn't especially convincing, given Rove's influence on a number of issues on which the White House made decisions over the last several months -- the imposition of tariffs on foreign steel, the signing of a bill to create \$180 billion in new farm subsidies -- that were flatly at odds with Bush's own policy principles but were expected to benefit G.O.P. candidates. But aides to the president seem to have successfully convinced themselves that the White House pays no heed to polling or political advantage; not only do they believe this, they have sought to make it a central theme of Bush's presidency.

There is a kind of Wonderland dynamic at work here, in which the White House asserts its own curious reality, no matter how plain the contradictions. I recently got a closer look at this phenomenon in **Karl Rove's** office. It was Ice Cream Day in the West Wing, a tradition Rove started for his staff when he was running Bush's presidential campaign, and so the two of us munched on frozen Crunch bars as we talked. Rove is a jovial and gracious guy, and there is something classically dweeby about him; his face is bespectacled and doughy, and when he talks, he always sounds as if he has a cold.

25044121696

A good president, Rove told me, will be remembered for making courageous decisions, no matter what the political impact may be, no matter what all the polls or critics or reporters may say about it at the time. "You may be misjudged in the short term, but ultimately history forms a judgment about a president based on the policies and actions taken, and all the little stuff drops away," he said. "You know, Sam Houston had a great line. 'Do right and damn the consequences.'"

But not 10 minutes later, when I raised the subject of corporate scandals and asked whether the White House appeared too close to big business, Rove rose and retrieved a stack of papers from his desk.

"Do you trust Bush to do the right thing when it comes to regulating business to prevent accounting abuses from taking place in business?" he recited, reading from a CBS poll. "Sixty-one to 34, 'trust' -- don't trust." Forty-five percent of the people think Bush's proposals for reforming accounting go too far or are about right, versus 39 percent who say they do not go far enough."

Rove was delving deeper into the minutiae of the data, getting more intense as he descended. "Now that's compared to 39 percent who said they go too far or are about right a month ago, and 43 who said they do not go far enough. So over time Bush has gotten better on this with the American people. There's one other one here. . . . " I was wondering what had happened to damning the consequences when Rove caught himself.

"Not that we spend a lot of time on these," he said quickly, as if reading my mind.

History's verdict may not be determined by how many votes you win in the short term, but in the meantime, Rove's not about to take any chances. Tim Pawlenty experienced Rove's influence firsthand. Pawlenty, the 42-year-old majority leader of the Minnesota statehouse, decided last year to run for the United States Senate against the liberal Paul Wellstone. Pawlenty was just the kind of candidate the Republican Party likes to tout: the son of a truck driver who worked his way through college and law school, a young star who had never lost an election.

The day before his big announcement speech, however, during an appearance at a town-hall meeting, Pawlenty's cellphone rang in his inside chest pocket. **Karl Rove** was calling. Rove kindly explained to Pawlenty that, with Democrats controlling the Senate by a single seat, the White House had decided it would be better if Norm Coleman, the more widely known former mayor of St. Paul, ran for the Senate instead. Rove wanted Pawlenty to cancel his announcement and get out of the race.

When Pawlenty resisted, Rove got Dick Cheney to call him the next morning and press the case. Pawlenty showed up at his own news conference a few hours later and announced that he would not, in fact, be running for the Senate.

"Once the White House says, 'We've made a decision and we're going in a different direction,'" Pawlenty said recently, "there's not much you can say." He is now the party's nominee for governor. Coleman, meanwhile, acceded to Rove's wishes and is running just about even with Wellstone in a race Republicans see as one of their best chances to pick up a seat.

Even in an exceptionally close election year, Rove's personal and forceful intervention in state races is extraordinary. In South Dakota, he leaned on Representative John Thune -- who was also planning a run for governor -- to get out of the race and take on Tim Johnson, Tom Daschle's protege in the Senate, instead. In North Carolina, he helped clear the field for Elizabeth Dole. In Missouri, he got behind the former congressman Jim Talent early, dispatching both the older and younger George Bushes, several White House aides and a couple of cabinet secretaries to help Talent raise money to take on Jean Carnahan.

"He can go through nearly every race in every district," says Tom Rath, a Bush ally in New Hampshire. "He can tell you more about the South Dakota Senate race than anyone in South Dakota."

Rove's goal for the midterms was to find moderate candidates with statewide appeal. He says he has intervened only in states where there was a near-consensus among Bush's top supporters, but a lot of social conservatives were angry when their candidates got pushed aside in favor of moderates. "What it does is it demoralizes your own party," a Georgia Republican says. In that state, Rove put the White House squarely behind Saxby Chambliss, a moderate congressman who is now running for the Senate against the Democrat Max Cleland.

It's not ideology that fuels Rove's crusade. He is a rightish Republican -- "I grew up out West; I'm just a conservative" -- but he says he believes that the only way to make the G.O.P. dominant is to reshape and expand the party, building on its base of ideological conservatives but broadening its appeal to reach traditionally Democratic voters like Latinos, African-Americans and union members. This means he has to play a political game of Twister, keeping one foot firmly planted on the far right -- pushing policies like Bush's faith-based initiative -- while reaching around to his left with popular centrist proposals on education and prescription drugs.

And so the midterm elections have become a referendum not just on the two parties, but also on Rove's particular brand of politics. If Rove wants social conservatives to continue to step aside while he builds a more inclusive party around candidates like Thune and Coleman, he has to prove that it works at the polls.

So far, Rove has found that influencing the outcome of state races is no easier than counting cards at a casino. After losing both governors' races last year, in New Jersey and Virginia, the White House suffered a third and very public defeat last March, when Rove's favored candidate in the California gubernatorial campaign, the former Los Angeles mayor Richard Riordan, lost the primary to the more conservative Bill Simon, a political novice.

Rove's role in this upset -- one that instantly made the re-election of the incumbent, Gray Davis, more likely -- was a little like the tightfisted owner of a reeling baseball team. On one hand, he insisted that Riordan had to win the race on his own. When Riordan asked the White House for help staffing his campaign, he was rebuffed; the party couldn't spare anyone until after the primary. "He was flailing around and looking for a team," a California Republican says of Riordan. "He asked them for help, and they gave him nothing."

But having invested the prestige of the White House in Riordan's campaign, Rove called the candidate directly to talk strategy, according to sources close to Riordan, and grew angry as Riordan continued to slip. At one point, a Riordan supporter told me, Rove called someone on the campaign and angrily demanded to know why it was falling apart, threatening to cancel tentative fund-raisers planned with Bush. (Rove says that this call never took place and that he had no involvement in the campaign.)

Riordan's subsequent defeat left the state party more divided, and the White House did little to repair the rift it helped open.

Rove is Bush's point man with state parties and contributors, which means that all favors and appointments cross his desk. During a recent visit to Dallas, I sat in the front of a rental car while Rove, sprawled out in the back seat, opened a pile of mail that had been sent from the capital in an overnight parcel. "I love this," he muttered, perusing a letter. "Since nothing in Washington seems right for me," he read, "can you put me on the list for ambassadorships?" He shook his head and tossed the letter aside.

Rove adores politics; he has spent much of his life consumed by it. But unlike the late Lee Atwater, his close friend and mentor, Rove is not content to be seen as a political operative. A self-styled policy guru and manic reader, Rove is as comfortable weighing in on trade-promotion authority as he is discussing the electoral map. His grasp of wide-ranging policy issues in which he has no formal training is remarkable. During a single conversation with me, Rove expounded on the particulars of tariffs and trade laws, farm subsidies and budget projections. Most of this he did off the record, to avoid being cited on any data that might prove faulty in his recollection, but his facts and numbers turned out to be precise.

"He's a one-stop shop," says Mary Matalin, the longtime G.O.P. operative who now works for Vice President

Cheney. "He goes way deep into the arguments on both sides, replete with facts. A lot of people have one issue. But Karl knows where everybody is on an issue the president cares about, including all the individuals on the Hill. He knows where the press is on the issue. He knows the politics of the issue."

No other aide has Rove's singular influence on both politics and policy. "I think Karl's going to be one of the most effective and influential presidential advisers since Jim Baker, and maybe the most influential in the last 100 years," says Wayne Berman, a G.O.P. lobbyist who served in the last Bush administration. No wonder, then, that skeptics are inclined to dust Bush's new war plan for Rove's fingerprints. In private briefings with Republicans early this year, Rove identified the war on terrorism as a major selling point for the party's candidates. By August, however, that war was beginning to feel played out, and the ailing economy was creeping back into the headlines. Coincidentally or not, that's when Iraq suddenly seemed to take on new urgency at the White House, and Bush quickly made plans to take his case to Congress -- assuring that war preparations would dominate news coverage in the weeks before the election.

Rove told me that he has spent "very little time" on Iraq, and that his role consists only of helping the president with his message and briefing outside groups and Congress. There's no question that Bush's push for a pre-election Congressional vote on Iraq helped Republican Senate candidates who might otherwise have had to answer questions about the economy. But those critics who suggest that Rove is huddled with generals, conspiring to bomb Baghdad at the most politically opportune moment, are missing an essential point about the way Rove's power actually works.

From the earliest days of the 2000 campaign, Bush and his advisers have defined themselves largely by their un-Clinton-ness. They detest what they are sure was the ethos of their predecessors: to govern by polls rather than by conviction. They are convinced that Bill Clinton and his aides sat around formulating policies according to the latest tracking numbers, and they are equally convinced that Bush is a president who leads rather than follows.

By taking such a characteristically black-and-white approach, however, Bush's team set a trap for itself. Polls and focus groups, which are often constructive indicators that help shape sound policy decisions, became symbols within the White House of everything Bush loathed. They became, in a way, unspeakable. Bush and his advisers, holding firm to the illusion that they are somehow above short-term politics entirely, consider it vulgar even to mention votes in a discussion about policy. "If I went in there and talked about politics," said a G.O.P. lobbyist, "I'd get tossed out."

So when Rove argues in a White House meeting for a specific policy -- like signing the farm bill, for instance -- he does it by marshaling facts and data to make a policy-based argument, even if the policy isn't consistent with Bush's philosophy.

"Karl will almost never make a point that's explicitly about the politics of the issue," a White House aide says. "He will almost always make a substantive point. You will know that part of his understanding of that policy is more likely to involve a political calculation than, say, Larry Lindsey's," referring to Lawrence B. Lindsey, the president's chief economic policy adviser. "But he'll always argue an issue on the merits."

Of course, everyone at the table knows that Rove has already pored through polls and consulted with campaign strategists, but no one says so. It is an odd morality-laundering scheme: if politics is never mentioned out loud, then politics can't possibly be behind the president's decision.

Nothing frustrates Democrats more than the pious image the White House has, with some success, created for itself. When I mentioned to Dick Gephardt, the Democratic leader in the House, that Rove likes to say "good policy is good politics," he looked momentarily bemused, as if someone were insisting that the sunlight streaming through his Capitol window was actually a hurricane. "They are about as political an administration," he said slowly, "as I have ever seen."

In plenty of cases, this White House has chosen political reality over its principles, as all administrations do. Bush shrewdly walked away from his proposal for school vouchers when it became apparent that the public wasn't following his lead. When the pro-business White House found itself on the wrong side of public

outrage over corporate abuse, it quickly got behind a weak reform bill on Capitol Hill and claimed credit for cleaning up the mess. And Bush signed the new campaign finance law, even though he had long opposed it.

The classic example of how Rove operates, and how politics seeps silently into policy, is the debate over steel tariffs. Last winter, the steel industry hired two close Rove allies -- the political strategist Ed Gillespie and the former Minnesota congressman Vin Weber -- to lobby the administration. They told Rove and other top administration officials that the United States was being swamped by cheap foreign steel and asked for wide-ranging tariffs on imported steel.

At meetings in the Roosevelt Room on the issue, Bush and his West Wing aides -- Rove, Bartlett, the chief of staff Andrew Card and others -- sat across the table from economic and trade advisers. The economists argued against tariffs, saying they would constitute unwarranted protectionism.

Rove, who was by then well versed on the issue, helped steer the discussion by asking pointed policy questions of the advisers, making sure that Bush could hear the answers. What would happen, he wanted to know, if the steel companies didn't get relief?

Rove didn't once mention politics, but he had a deep political interest in the issue. In a private slide presentation Rove delivered to Republicans in June, Rove listed "coal and steel" as a constituency the party had to maintain. For Rove, that means labor as much as business -- one of the key priorities of his master plan for the party is to win over rank-and-file A.F.L.-C.I.O. members in spite of the union's pro-Democratic leadership. According to a source close to the White House, Rove was keenly aware that both the steelworkers and the electricians working in steel plants in Pennsylvania and West Virginia, key electoral states in 2004, belong to the A.F.L.-C.I.O.

In March, Bush sided with Big Steel, issuing broad tariffs to protect the industry and the unions. Almost immediately, the decision proved costly. Foreign competitors were outraged, well beyond what the administration had envisioned, and threatened to bring on a full-scale trade war. The G.O.P.'s free-traders rebelled, openly challenging the administration. A besieged Bush had to roll back the tariffs, granting 727 exemptions.

"The problems with the administration over the past year, and the reason they have fallen into disfavor with economic conservatives, is that it's pretty clear these decisions are being made on politics and not on principle," says Stephen Moore, president of the Club for Growth, an influential conservative business group. "The steel thing in particular was a political miscalculation by the White House and **Karl Rove**."

Rove and other aides vehemently reject the idea that they are as mired in political calculations as any other White House. "It depends what your definition of political is," Rove says, sounding oddly Clintonian. "Do we advocate an agenda that we think is right for the country and try to persuade people that it is right, thereby garnering their support? Yes." But, he adds, "if by political, you mean we take a poll and figure out where people are so we can get ahead of the parade and claim to be leading it, the answer is no." Rove points out that Bush has never wavered from his convictions on the key issues that defined his campaign: cutting taxes, reforming education, promoting faith-based programs. Faced with terrorist attacks, Bush showed a kind of leadership that redefined his image with the American public. And while Clinton polled on which vacation spot to use, Rove maintains that this White House consults polling and focus groups not to make policies but to figure out how to sell them.

It's in the nature of presidencies to be political, just as it's in their nature to deny that they are being political. But most advisers will do this with a kind of knowing wink. Rove is different; I had the sense that if I reached over and pinned a polygraph to his hand as he talked, he would pass easily. He refused to entertain the suggestion that even a single one of the administration's decisions was influenced by election-year politics. Instead, he used Sam Houston's word to describe all of them: they were the "right" policies to pursue.

This brought to mind the complaint that is often heard among members of Congress and the news media -- that Rove and Bush see every debate as a morality tale, with the White House on the virtuous side of every

argument. Rove's insistence that every single decision is about right and wrong, and not about votes, can have the effect of making much of what he says seem incredible. It has also proved, so far at least, to be a very effective strategy.

Opponents often portray Rove as Rasputin with a Western twang, a shadowy figure making all the decisions for an immature president. In fact, their relationship is more intricate. Bush and Rove are bound together by mutual philosophy; Rove shares Bush's distaste for elitism and Ivy Leaguers. But unlike the popular and charismatic Bush, who glided through Yale and Harvard on personality, Rove lacked social skills and connections and knocked around five colleges without earning a degree. There was no Kennebunkport in Rove's childhood -- just a broken home and a lot of moving around out West.

Bush and Rove will often entertain themselves with inside jokes at staff meetings, breaking into laughter over characters they once knew in Austin. But aides say Rove is also Bush's favorite target when he's in a less charitable mood.

"If Karl makes a point that turns out to be wrong, the president will just jump on it," a White House insider told me. "He might say, sarcastically, 'Oh, very nice point, Karl.' The president thinks Karl's invulnerable to the barbs."

Is he, I asked?

"I don't know. He takes some rough ones."

It has been this way since the late 1980's, when Rove grew close to Bush and saw, in his cool demeanor and electable name, serious political potential. At the time, Rove was already the lead strategist in a Republican takeover of Texas, where he was known as a ruthless and sometimes devious competitor -- a "no-rules-in-a-knife-fight kind of guy," as one Texan put it. Rove's unshakable confidence in his own color-coded message charts, combined with a string of impressive victories, earned him a reputation -- which has only grown through the years -- as a kind of mad genius, someone who saw several steps ahead of most political hacks.

Like almost nothing else in Washington, this notion of Rove's brilliance has gone virtually unchallenged. The 2000 campaign seemed to solidify Rove's place in the political strategists' Hall of Fame; running against an incumbent vice president with a robust economy, advising a candidate who was perceived as intellectually indifferent, Rove's team laid waste to fund-raising records and hammered at their message with a kind of discipline normally reserved for prison camps.

But far from being infallible, Rove has also made some whopping political miscalculations, and these point to his vulnerability as a strategist. The word "hubris" comes up a lot when people talk about Rove. So entrenched is he in his own version of reality, so invested is he in his own elaborate plan, that he sometimes fails to see when events in the real world are headed in a different direction. And that's when Rove gets into trouble.

Take, for example, the primary campaign against John McCain. Confident that Bush couldn't possibly lose the primaries and already eyeing a national campaign, Rove went ahead and took the unprecedented step of opening expensive offices in all 50 states -- and Guam, of course -- while McCain worked the street corners in New Hampshire. "We were doing high-fives," Rick Davis, McCain's campaign manager, recalls. "We said, 'Great, go open an office in North Dakota.'"

McCain, casting himself as the agent of reform, demolished Bush in New Hampshire, putting Rove's Titanic-like campaign on the verge of sinking. It took an unseemly campaign in South Carolina by Bush to beat back McCain.

Then, in the last few weeks of the general election, Rove threw an estimated \$12 million into California, a Democratic stronghold, because he claimed to see an opportunity that no one else did. He lost the state by 13 points, while other states that really were attainable -- New Mexico, Wisconsin, Pennsylvania --



ultimately slipped away.

Rove's tactical acumen hasn't always been evident at the White House, either, where Bush's approval ratings were on the decline before Sept. 11. Ultimately, Rove has to shoulder much of the blame for the defining event of those first months: the calamitous defection of Senator Jim Jeffords of Vermont from the Republican Party, which gave Democrats control of the Senate and Bush's agenda.

Jeffords had been threatening to leave the party, saying he'd been bullied by the White House over his refusal to support a tax cut. But Rove -- who was at that very time preoccupied with recruiting Senate candidates in Minnesota and South Dakota -- never even picked up the phone to call him.

There is in all of this the same discernible pattern that emerges in the rest of Rove's political life: a tenacious attachment to his own worldview, whether it serves him well or not.

I asked **Reggie Bashur**, an Austin political consultant who is one of Rove's oldest friends, about this. "On a pragmatic day-to-day level, he might make adjustments, but he's not going to make changes in a fundamental plan he's conceived and thought through," he told me, sitting in his office across from Texas's magnificent capitol.

"I've never sensed a lot of expressions of self-doubt. I don't know that that's part of his personality."

I last sat with Rove during a two-hour drive from Waco to Austin. He had just returned from a campaign swing with Bush through Missouri and Oklahoma, and he had arranged for a rental car to be delivered to his hotel.

It was too dark in the parking lot to see the car, so Rove cleverly hit the button on the Enterprise key chain that pops open the trunk, and we went out in search of a Mercury Sable with an open trunk, which wasn't hard to find. I asked him how it had gone in Oklahoma, and he instantly broke out loudly into song. "Ohhhhhh-lahoma!" Rove sang in a heartfelt baritone. Even after a 16-hour day of work and travel, he was buoyant.

As we drove, I told Rove that members of both parties had complained to me that he and the administration insisted on making a moral issue of every disagreement, and were reluctant to consult with their opponents or with the Congressional leadership.

"Look," Rove replied, "this president meets with Tom Daschle, Trent Lott, Denny Hastert and Dick Gephardt probably more regularly -- certainly more regularly -- than any president in modern times."

His assessment could not be further from the way senior Democrats and some Republicans describe the Bush White House. "They bring it in, and you're either for it or against it," Gephardt says. "The whole economic program based on tax cuts, I think, has been a serious mistake, and they don't seem to be willing to change it or even talk about changing it. It's just: 'Over my dead body.'"

While members of the White House legislative staff frequently visit the Hill, senators and congressmen say Rove and the president's other top political advisers are detached. "I don't think I have ever gotten a call from **Karl Rove** or anyone on his staff," a Republican member of Congress told me. "I don't hear them up here. I don't see them up here. I think they're more insulated than any administration I have ever seen."

The Bush team treats the press similarly, and White House reporters have grown so hostile that even some White House allies have suggested a lighter touch. "Karl's attitude is, 'We're going to change Washington,'" a G.O.P. strategist told me. "They're going to have to write what we say, because it's all we're going to give them."

All of this is just buzz in the background as long as Bush's approval ratings remain anywhere near their present level, and as long as Rove has the party firmly in his grasp. If Republicans win back the Senate, and if a war with Iraq is successful, one can imagine Bush easily winning a second term, with Rove

mapping out his strategy on color-coded charts.

But if Rove's strategy fails in November, the party's grass-roots activists will be saying they told him so, and Bush's agenda will be in the hands of a Congress that owes him no favors and a press that feels slighted.

If this concerns Rove at all, there wasn't a hint of it as we drove on through the darkness. We talked about serious issues, including Iraq, and Rove assured me once again that the president would not consider short-term politics in his deliberations.

"I really do think it is a moral imperative for the country that in this post-cold-war era we do not allow rogue regimes to stockpile weapons of mass destruction, to wait until they do before we deal with it," Rove said. "Biological or chemical or radiological or nuclear attacks on the country would just be -- you know, we couldn't have it."

Sam Houston might well have agreed. And yet I knew that Rove had other things on his mind too. He was headed to Austin for a round of meetings, and one of them, it turned out, was with his pollster.

**URL:** <http://www.nytimes.com>

**CORRECTION-DATE:** October 20, 2002


**CORRECTION:**

An article on Page 56 of The Times Magazine today about **Karl Rove**, adviser to President Bush, misstates the vote percentage by which Mr. Bush lost to Al Gore in California. It was 12 percent, not 13.

An article in The Times Magazine on Sunday about the multiple roles of **Karl Rove**, adviser to President Bush, misstated the margin by which Mr. Bush lost to Al Gore in California. And a correction in this space, also on Sunday, expressed the actual margin improperly. The number of percentage points was 12, not 13; the percentage itself was 28 percent, not 12.

**GRAPHIC:** Photos: **Karl Rove** (Photograph by Henry Leutwyler); A "no-rules-in-a-knife-fight kind of guy": Rove has been Bush's go-to strategist since the early 90's. (Paul Morse/The White House); Rove's campaign tactics have yielded spectacular success and spectacular failure. (Don Ryan/Associated Press)

**LOAD-DATE:** October 20, 2002

Source: [News & Business](#) > [News](#) > [By Individual Publication](#) > [N](#) > \$ The New York Times 

Terms: "reggie bashur" & "karl rove" ([Edit Search](#))

View: Full

Date/Time: Monday, September 13, 2004 - 11:06 AM EDT

[About LexisNexis](#) | [Terms and Conditions](#)

Copyright © 2004 LexisNexis, a division of Reed Elsevier Inc. All rights reserved.

EXHIBIT U

Westlaw.



6/3/02 AUSTINAMS A1

Page 1

6/3/02 Austin Am.-Statesman A1  
2002 WL 24073481

Austin American-Statesman  
Copyright 2002

Monday, June 3, 2002

New cast takes on key roles for GOP [Corrected 06/10/02] ; Campaign team fills in  
for talent that left town with Bush

Ken Herman, AMERICAN-STATESMAN STAFF

CORRECTION: 06/05/02 , A story on Monday's Page A1 incorrectly reported that  
Republican consultant Ted Delisi served as communications director for John  
Cornyn's 1998 race for attorney general. Delisi joined Cornyn's staff after the  
election.

It's a beautiful Saturday morning in Central Texas, the kind tailor-made for a  
young couple to be doing just about anything other than listening to indoor  
political speeches. But there are Ted and Deirdre Delisi, dressed in weekend  
casual, leaning against a table at the back of the room and applauding politely,  
if unenthusiastically, as Democrat after Democrat speaks to the Sun City  
Democrats.

The Delisis are much too young to be at Sun City. And they are much too  
Republican to be at a meeting of the Sun City Democrats.

Unlike others in the ballroom, they are working. More specifically, they are  
spying, checking out the opposition.

Ted, 29, is a top adviser to Attorney General John Cornyn's campaign for the  
U.S. Senate. Deirdre, 29, is campaign manager for Gov. Rick Perry.

"Thanks for outing me," she joked to a reporter who introduced her to Democratic  
gubernatorial candidate Tony Sanchez as he walked by.

It is a sign of the changing times in Texas that high-level GOP operatives can  
show up unrecognized at a political event. The Delisis are part of the next wave  
of Republican strategists who inherited first-string roles when George W. Bush  
left town and took some of the top GOP political talent with him.

"Two years ago, we were playing on Thursday night," Ted Delisi says. "We were  
the JV."

The unquestioned captain of the old varsity was Karl Rove, now firmly ensconced  
in the West Wing and hallowed back home as the most influential Texas Republican

Copr. © 2004 West. No Claim to Orig. U.S. Govt. Works.

25044121704

6/3/02 AUSTINAMS A1

Page 2

never to appear on a ballot.

"There isn't any one individual who is going to replace or be a substitute or a fallback to Karl Rove in Texas politics," said GOP consultant Reggie Bashur, a Rove colleague who is among those filling the void.

Bashur also notes that the slot held by Rove no longer really exists.

"You've got a big ocean out here now. You've got all the statewide offices," said Bashur. "And no one consultant is going to be a dominant force for each and every statewide race. (Rove) didn't have the whole ticket because there wasn't a whole ticket. It's a little different now."

Rove was the mastermind behind the GOP takeover of Texas government. Though he still dabbles in state politics from afar, it is now largely up to others to defend what he helped the party win in the 1980s and 1990s.

As they gather later this week in Dallas for their first post-Rove state convention, Texas Republicans are into an election year in which the tasks are spread out among many operatives.

At GOP Gov. Rick Perry's political shop, Deirdre Delisi is joined by former Bush aide Ray Sullivan, who opted not to go to Washington, consultant Dave Carney of New Hampshire and local ad man David Weeks, who has ties to several top GOP candidates.

Carney's ascension in Texas is linked with Perry's. Carney's Texas ties began as political director in the White House of the original President Bush. He was involved in GOP nominee Clayton Williams' unsuccessful 1990 gubernatorial campaign.

After the Bush loss in 1992, Carney did stints at the National Republican Senatorial Committee and helped Kay Bailey Hutchison win the 1993 special Senate election.

He worked for the Bob Dole 1996 presidential campaign, and later, at Rove's invitation, became general consultant for Perry's 1998 race for lieutenant governor when Rove had to concentrate on Bush.

Carney said it's hard not to notice the difference with Rove gone. But he also said Texas is not forgotten by the GOP consultant once hailed by Bush as "the man with the plan."

"It's like being a godfather and this is your godchild. It's grown up, and it's huge, and it's different," Carney said of Rove's attitude about this year's Texas races. "Karl is still intimately involved. It's not as hands-on as he was in the past. He is giving advice and helping people," said Carney. "He talks to the candidates and the staff and the consultants, and people call him up and say, 'We're doing this, what do you think?' "

But Rove's days as the ultimate coordinator for all Texas GOP campaigns is over.

Perry adviser Sullivan said that task is now parceled out among the top advisers

Copr. © 2004 West. No Claim to Orig. U.S. Govt. Works.

6/3/02 AUSTINAMS A1

Page 3

to Perry, Senate candidate Cornyn and lieutenant governor candidate David Dewhurst.

Cornyn's bid for the U.S. Senate seat being vacated by Republican Phil Gramm is being worked by Ted Delisi, campaign manager Jennifer Lustina and communications specialist David Beckwith, a former Dan Quayle aide who helped steer Hutchison's 1993 Senate campaign.

The Dewhurst campaign also relies on a committee of advisers, including campaign manager Rob Johnson, who worked for an Arkansas congressman; national GOP pollster Arthur Finkelstein; Kevin Moomaw as political director; and several media advisers, including David Weeks in Austin and Dick Dresner of California.

"How can anyone replace Karl Rove?" says Nick Voinis, Dewhurst's campaign spokesman. "No one is dumb enough to try and fill his shoes."

That's the retooled, post-Rove landscape most GOP leaders see.

"I don't think you'll see a situation against where there would necessarily be one person who stands out as the mastermind consultant," said Texas GOP Chairwoman Susan Weddington, adding that "absolutely" was Rove's role.

Ted and Deirdre

Rove's office, if not his role, is now occupied by Ted Delisi, who with partner Todd Olsen and others, bought out Rove's company when Rove went all-Bush, all the time.

"They broke the mold when they made Karl Rove," said Delisi, whose firm now controls vital mailing lists and donor databases.

Delisi was born in Salt Lake City and grew up in Temple, where his mom, Dianne White Delisi, has been a state representative since 1991.

Ted Delisi, a 1995 graduate of Vanderbilt University, planned to be a doctor. But a stint at a Nashville, Tenn., hospital persuaded him that medicine was too bloody for him.

So he went into politics, recalling that he viewed it as "something I would get out of my system." He began as a volunteer in Fred Thompson's successful 1994 campaign for a U.S. Senate seat from Tennessee.

The Thompson job morphed into a paid job on Lamar Alexander's ill-fated 1996 bid for the GOP presidential nomination, during which Delisi was shipped to New Hampshire. It was there that he took a liking to a recent Stanford grad school graduate also working in the Alexander policy shop.

Ted and Deirdre Delisi were married on June 6, 1998 or, as he liked to call it, "D-Day," a reference she does not appreciate.

"It's a negative connotation," she said. "You can't really spin that one in a good way."

Both came to Texas in 1996 after the Alexander campaign folded. Ted Delisi

Copr. © 2004 West. No Claim to Orig. U.S. Govt. Works.

6/3/02 AUSTINAMS A1

Page 4

checked in with Rove and wound up working on some state Senate races.

He served as communications director for Cornyn's 1998 campaign for attorney general and then went to work on Cornyn's state staff.

Deirdre Delisi, a Montreal native who became a U.S. citizen in 1990 when she graduated from a Nashville high school, had gone to Stanford to pursue her goal of entering the diplomatic corps.

"I found out there wasn't a big market for diplomats with no work experience and two degrees," she said, recalling how she wound up back in Nashville and then in New Hampshire working for the Alexander campaign.

"I had the bug," she said. "I had so much fun on that campaign."

Delisi later did stints at the Texas Department of Commerce and on the staff of state Sen. Bill Ratliff. She joined the Perry campaign for his 1998 race for lieutenant governor.

In August 1999, she joined the policy shop at the Bush presidential campaign.

When the extended presidential election ended with a Bush win, the Delisis opted to stay in Austin. Deirdre reconnected with Perry and was on hand to help prepare the Dec. 21, 2000, ceremony at which Perry took the oath as governor after Bush resigned.

At campaign headquarters, Deirdre Delisi is fully aware of the long, strange trip that put an ex-Canadian at the helm of a Texas gubernatorial campaign.

"It is a big deal," she said. "Four years ago, it wasn't even on my radar screen."

TABULAR OR GRAPHIC MATERIAL SET FORTH IN THIS DOCUMENT IS NOT DISPLAYABLE

COLOR PHOTOS, PHOTO; Photo: Larry Kolvoord, AMERICAN-STATESMAN; Ted and Deirdre Delisi came to Texas in 1996 after their work on Lamar Alexander's failed presidential campaign. The two have worked their way up through the ranks of the state's Republican Party. Deirdre Delisi is Gov. Rick Perry's campaign manager, while her husband, Ted Delisi, is chief consultant in Attorney General John Cornyn's U.S. Senate race.

---- INDEX REFERENCES ----

NAMED PERSON: DELISI, DEIRDRE; PERRY, RICK; BUSH, GEORGE W; DELISI, TED; CARNEY, DAVE

ORGANIZATION: SENATE; REPUBLICAN PARTY

NEWS SUBJECT: English language content; Page-One Story; Content Types;

Copr. © 2004 West. No Claim to Orig. U.S. Govt. Works.

25044121707

6/3/02 AUSTINAMS A1

Page 5

Front-Page Stories; Elections; Political/General News; Elections, U.S.; General News; Government Bodies; Domestic Politics (ENGL NPAG NCAT PAG GVOTE GCAT ELX GEN GVBOD GPOL)

GOVERNMENT: State Government (STE)

REGION: United States - Texas; United States; North American Countries; Texas; North America; United States; Southern U.S. (USTX USA NAMZ TX NME US USS)

Language: EN

SOURCE REGION: NME TX US USS

Word Count: 1367

6/3/02 AUSTINAMS A1

END OF DOCUMENT

25044121708